Ontario. Royal Commission on Book Publishing.
Hearings. 1971

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

Hearings

Mr. Richard Rohmer, Q.C.	Chairman
Dr. Marsh Jeanneret	Commissioner
Mr. Dalton Camp	Commissioner

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252 Bloor Street West, Toronto,
Ontario, June 2nd, 1971.

This transcript has not been edited, corrected or revised by the Commissioners, but may subsequently be edited, corrected or revised.

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Mr. Harald Bohne, Assistant Director.	Canadian Books in Print.
Mr. Dennis Lee.	
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Mr. Val Clery, Editor, Mr. Randall Ware, Assignment Editor and Mr. Douglas Marshall, Managing Editor.	Canadian Review of Books Limited.
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Mr. W.B. Hanna, President.	GLC Educational Materials and Services Limited.
Mr. Alfred Rushton.	Poseidon Press.
Professor J. Terasmae.	

Toronto, Ontario,
June 2, 1971.

---The hearing commenced at 10.00 a.m.

THE CHAIRMAN: We have with us this morning Mr. Harald Bohne, Assistant Director, Canadian Books in Print. Mr. Bohne, we appreciate your coming and we have read your most informative brief. I wonder if you would touch on the highlights which you would like to stress for us?

SUBMISSION OF CANADIAN BOOKS IN PRINT

MR. BOHNE: I appear before this Commission not as Assistant Director of the University of Toronto Press but as Editor of Canadian Books in Print. I compile and edit the material for inclusion in annual edition on a freelance basis. The press publishes the volume on commission. Both the press-publisher and myself as editor are appointed by a committee representing the Canadian Book Sellers' Association, the Canadian Book Publishers' Council, Canadian Library Association and the Conseil Superieur du Livre.

The committee also takes financial responsibility for the volume, the price being compensated through its commission for overhead and distribution costs.

My purpose in presenting this brief to the Commission is to stress the important role played by bibliographic tools in the industry. My brief acknowledges the excellence of a

National Library Canadian Bibliography but gives the reason why it cannot substitute for the Canadian Books in Print.

I have been associated with Canadian Books in Print in one form or another from the time of its early planning stage when I was a director of the Canadian Book Sellers' Association. This was in 1963. The first edition appeared in 1968 covering the Books in Print in 1967. I am now in the process of compiling and editing the 1971 edition which will appear in October of this year. During all this time I have yet to meet anyone in the book trade who has not acknowledged the usefulness of Canadian Books in Print. At the same time there have been innumerable requests and inquiries about the possibility of adding to its usefulness by issuing a subject index. My brief describes the form such an index might take, how it might be compiled and what its different uses might be.

The number of entries in Canadian Books in Print has grown from 10,000 in the first edition to over 15,000 entries in the 1970 edition. The latter contains 922 English and 369 French entries in the 1970 inprint. Since multi-volume titles and different editions such as cloth-bound, paperback, educational, et cetera are counted as a single entry the number of actual volumes published in Canada in 1970 can be estimated to be around 1,500. Returns from

publishers for the 1971 edition would indicate a similar performance in the current year. With the increase in listings of Canadian Books in Print the need for a subject index increases.

I am frequently asked what is the definition of a Canadian as far as Canadian Books in Print is concerned. The founding committee representing the four sponsors mentioned earlier stated as its aim for Canadian Books in Print to bridge the gap between existing bibliographies in the United States and Britain, To achieve this aim the definition had to be based on imprints. Any book bearing the imprint of a Canadian publisher was to be included regardless of language, subject matter, nationality or residence of author or any other consideration which might qualify a title for inclusion in a national bibliography.

In the case of books published by international publishing houses with Canadian branches the primary imprint is the deciding factor. Most frequently such books will, of course, originate with the Canadian branch and this would be expressed by giving the Canadian company the primary imprint but even in cases where a book by a Canadian possibly living abroad might have been originated with the parent company in New York or London, Canadian authorship generally causes a Canadian company to import a sufficiently large number of copies to warrant its imprint to appear on the book.

In fact, Canadian Books in Print's

definition of a Canadian book provides a Canadian branch with some leverage to demand recognition in the form of its imprint from its parent company whenever possible.

I would be glad to answer any questions you might have in connection with Canadian Books in Print. Then, with your permission and if time allows, I would like to address myself briefly to a somewhat related issue concerning the international book numbering system and what might be done to accelerate Canada's participation in that scheme.

THE CHAIRMAN: Why don't you do that now, if you would like to comment on it, please?

MR. BOHNE: About four years ago a group of British publishers and book sellers got together to develop a book numbering system specially geared for the British book trade which was to be used both by publishers, book sellers, wholesalers, librarians, a book numbering system which was universal in its usefulness and application and was subsequently adopted by American publishers and now also by German, Scandinavian and French publishers. It is first universal book numbering system in the world. In view of the proliferation of published information now available and being published and in view of the increasing computerization at all levels of book distribution and information retrieval the universal book numbering system such

as the international book numbering system is essential to the introduction of pre-printed and computerized sensitive checks. You might ask why is this so? Basically the international standard book number is a ten-digit number. The first digit of that number identifies the group of publishers. The first digit zero indicates that the publisher is either British, U.S., Canadian, Australian or New Zealand. Other digits indicate German publishers, French publishers and Scandinavian publishers.

DR. JEANNERET: Not the language of publication?

MR. BOHNE: Not the language of publication. The next group of digits identifies the publishing house per se. This group of digits can vary in length depending on the size of the company. Very large houses have two-digit numbers and the smallest houses have seven digit numbers. The following group of numbers identify the book and, therefore, gives a possibility of titles for a very small publisher to a million titles. The final digit is a check digit which has been introduced in order to eliminate or practically eliminate the error factor in transmitting international standard book numbers to compute through computers, that is, to avoid the human error factor.

The check digit is arrived at by a combination or the procedure of adding, multiplication,

addition and division. It is a simple operation which can be done on an adding machine in very short order.

DR. JEANNERET: Could you give two sentences out of that check digit? I know you can't go through the whole story but it is fascinating and the fact that it fits computer technology so beautifully is almost exciting.

MR. BOHNE: The ten digits multiplied in descending order beginning at zero multiplied by 10, the first digit being multiplied by 9, the result and so on down the line, the results being added, the sum of the results is divided by 11 and the remainder is the check digit. It practically eliminates all error and is a very fascinating system. It has been developed by a professor at the London School of Economics.

I would like, with your permission, to give copies or send copies of the ISBN manual to the Commission for this purpose.

Some of the advantages of the system, I have already touched on the advantage regarding computerization of book distribution and information retrieve The second point, publishers of national and international bibliographies compile and computerize their listings on the basis of ISBN. Within a year or so the publishers of the large national and international bibliographies such as Books in Print in the United States and Britain, published by Whitaker will no longer be

able to list the titles which have not been assigned an ISBN. The assignment of ISBN, therefore, ensures the listing in the bibliographies. I have been told by representatives of the Company that while they have by-product bibliographies coming out, the major publishers are all known to be computerized on the basis of ISBN and a book which does not have an ISBN has to be left out of this system.

Point 3: Many wholesalers, libraries and the large college book stores are turning to ISBN for all their procedures of stock control and ordering. ISBN lends itself ideally to these procedures because it is universal, identifies the publisher and is computer compatible. Increased mechanization with larger university and public libraries for the purpose of cataloguing the information retrieve in the interlibrary loan process requires a universal numbering system such as ISBN.

Since much of the communication mentioned above, that is, the ordering process and the stock control process and the interlibrary loan process is carried out by other telecommunication media working on a time chart. ISBN is an ideal basis for transmitting such information.

Finally, ISBN is the first system which makes the registration of copyright for licensed copying purposes a distinct possibility.

My point in bringing up the ISBN system in this hearing is that Canadian Books

in Print and I, as editor, have been charged with administering the ISBN system in Canada and we have issued publishers prefaces to most of the publishers currently in Books in Print but without legislation it is difficult to enforce the application of standard book numbers amongst some of the smaller publishers who are authors publishing their own books, or associations not primarily engaged in publishing.

It would seem to me that some form of legislation similar to the legislation governing deposits of two copies of every book published in Canada with the National Library might assist in accelerating the acceptance of the ISBN system in Canada. It is essential for Canadian publishing to operate on this international level, as I am sure many of the briefs have stated, and this participation in the international standard book numbering system will automatically guarantee that the books have inclusion in the international book bibliographies.

DR. JEANNERET: It is the sophistication of the Canadian book industry you are pleading for?

MR. BOHNE: That is correct. The administration could be taken care of in the National Library or by bodies such as Information Canada, for instance or Canadian Books in Print, but it has to have a little more power than it has now. The larger publishers all are aware of the usefulness of their participation in this.

THE CHAIRMAN: We are just talking about the question of power, Mr. Bohne. I just commented to my colleaguethat it is a computerized aspect of the ISBN. We have, of course, been given the opportunity of considering the question of public lending rights

and if there were such a public lending right, plan or scheme brought into play, the computerized aspect would certainly be a great power push to get authors involved and publishers of whatever rank because it would be, I should think, a very useful fit. There are any number of applications.

DR. JEANNERET: That is the first time I have heard that particular application suggested and I think it is an excellent one.

THE CHAIRMAN: There is no problem. Money is much more effective than legislation sometimes.

MR. BOHNE: That is right.

DR. JEANNERET: Well, just two or three questions in order to be sure the record is clear. I have been associated with what Mr. Bohne is doing, naturally, on the sidelines, as it were, and I think that it might be worth zeroing in, Mr. Bohne, on your recommendations for a subject guide. I will get the phrase right, but it is a subject guide to books in print. From the standpoint of the consumer -- correct me if I am wrong -- it is obviously of no consequence who published a book and catalogues are produced by publishers that represent their own lists and sometimes lavishly reduce it necessarily for the trade, reference, for librarians and so on. From the standpoint of the user and the standpoint of the

librarian, one wants to have this information in a totally different sequence and this I think is what lends force to the importance of breaking C.B.I.P., Canadian Books in Print, down to according to subject classifications and then there is perhaps a responsiblity beyond that for some agency -- it may be the responsibility of the publishers, it may be the responsibilityp of government at some level might properly take a part, or some other agency. It would be their responsibility, presumably, to promote the information that is thus made available for the first time regarding Canadian books, namely, what Canadian books you have under various subject headings. Would you comment on that and modify what I said or develop it? I think it is a whole approach to cataloguing that is often forgotten about.

MR. BOHNE: Yes. I see as a very important by-product of the creation of a subject index the creation of reading lists under subjects made available cheaply or freely to schools, libraries, to hand out to the students to hand out to patrons of public libraries. In other words, I think the complete subject index will be a very useful pool as C,B.I.P. has been to booksellers, librarians, people active in the book industry. Any publisher uses it extensively because any publisher gets orders for books he has not

published himself and for public relations it is extremely helpful if he can give the customer the correct publisher's name. Without Canadian Books in Print, he could do that only with American or British books. So the subject index itself will be a very useful tool for the trade, but a by-product of listings of books available in Canada published by Canadian publishers on various subjects which can be widely distributed to schools and libraries, I think, is a fascinating point and one that will undoubtedly help to increase sales of Canadian books and the public's awareness of Canadian books.

DR. JEANNERET: It won't only expose, I take it, the books that are available in aparticular subject area of interest, but it will expose books that are not available which should have its own force.

MR. BOHNE: It exposes Canadian areas which Canadian publishing, where areas are there that can be exploited.

DR. JEANNERET: Now we just talk about it.

MR. BOHNE: We envisage each book presently listed in Canadian Books in Print to be classified in one to five different classifications to accomplish this. In other words, some books may only be appearing in one list, but others may be appearing several times in different

classifications where there is an overlapping of subject matter in the book itself.

DR. JEANNERET: You look forward, don't you, Mr. Bohne, to the availability of some system whereby there can be actual, physical inspection without all the work that would be involved in bringing it about now of candidates for inclusion in Canadian Books in Print? For example, if there were any kind of coordinated warehousing and fulfilment service on behalf of Canadian books as such, it would be possible, then, to get to physical inspection which you can't do now?

MR. BOHNE: Yes. That is impossible now. It would certainly be a check point at a later date. I think physical inspection is impossible for listing books. Obviously it is impossible for forthcoming books and to be effective, the 1971 edition will have to include every book publishers plan to issue with their 1971 imprint for the year. We even invite a list of forthcoming books where the publisher is not absolutely certain the book will be published this year, but it is in preparation and might come out before Christmas and it might not. In those cases we list the books as forthcoming and so it becomes the most up to date listing. Therefore, we cannot rely on inspection, even if we had the facilities, before listing a book, but it certainly can be a check point after

the event. Certainly the question of primary imprint in introducing the brief this morning, I mentioned the leverage I have actually had very recently in an exchange of correspondence with a publisher who felt that it was very important to have a letter stating the importance of the primary imprint for Canadian Books in Print because it will give him a lever with the parent company to assist them on anything in an edition sufficiently large to warrant this.

DR. JEANNERET: Just one final question: You did recommend that we recommend that there be some kind of legislation at some level that would give statutory force to the ISBN system in this country? Is that correct? I want to say that for the record.

MR. BOHNE: That was my additional recommendation, additional to the brief I had submitted previously.

THE CHAIRMAN: What kind of circulation do you enjoy with this?

MR. BOHNE: About 2000 copies are sold, of which around between 500 and 600 go to the United States.

THE CHAIRMAN: What kind of price do you get for it?

MR. BOHNE: The present volume is sold for $25.

THE CHAIRMAN: I recognize some of the names in it.

DR. JEANNERET: The Conseil Supérieue du Livre is cooperative too?

MR. BOHNE: Yes.

THE CHAIRMAN: As I say, this is a most useful and informative brief, particularly for a layman, such as myself.

DR. JEANNERET: You gave us the best idea this morning, Mr. Chairman.

THE CHAIRMAN: You are very kind. Really, I think what you have told us is most useful. There are certain things that you have said that I wish to comment on, I suppose. You suggest that free distribution to Canadian Embassies and consulates abroad and the larger libraries overseas, underwritten by government agencies, which is felt would really enhance Canadian publishing in the eyes of the world. Have you made this suggestion or recommendation, for example, to External Affairs or the Secretary of State, or any one of that order?

MR. BOHNE: Yes, we have. The first years of publication we have and we offered ---

THE CHAIRMAN: I can't hear you.

MR. BOHNE: We made this recommendation the first two years of publication, 1969 -- in 1967-68 and we offered a bulk sale to the Department of External Affairs for distribution but it was not accepted.

THE CHAIRMAN: It was not accepted.

External Affairs or the Secretary of State have not chosen to participate? Are you aware that they at any time get involved in the acquisition of any Canadian books for distribution to the Embassies or others? I mean, the other offices?

MR. BOHNE: We had -- I think I know of one case several years ago where the Canadian Annual Review was purchased by ---

DR. JEANNERET: With Canada Council money.

MR. BOHNE: Purchased by the External Affairs Department with Canada Council money. That goes back quite a few years.

THE CHAIRMAN: You say on page 7:

> "Because much of Canadian publishing is centered in Ontario, it seems appropriate that the Government of Ontario should share substantially in, if not undertake fully, financial responsibility for a 'Subject Guide to Canadian Books in Print.' (It should be remembered also, that the Quebec Governemnt has financed a similar listing since 1964.)"

I am speaking personally when I put to you this. It is not really a statement but it is really a general question to you, but

we have had so far in very large number of briefs, any number of suggestions that one level of government or another ought to participate in matters of this kind. This morning I am just moved to say that when one speaks of the government of Ontario, as you do, you are in fact speaking of the taxpayers of Ontario. They are the people who do this financing and the government is no more than an agency of the taxpayers so what you are suggesting here, I think probably will meet with speculation and that is your suggestion the government or taxpayers of Ontario undertake financing of the creation of a subject guide which is, in fact, Canadian or nation-wide in its effect and its meaning. More and more what is coming to the individual is that the true impact of the business of publishing and making books is a national or nation-wide undertaking. I think that your recommendation to us that Ontario might do it perhaps you might comment on this? It arises perhaps out of the frustration that you might feel about the inability of anyone to really attract the attention of the federal government with regard to its responsibilities in this field. Is this kind of a fair question?

MR. BOHNE: I think this is fair, yes. As I say because publishing is centred so much around Toronto and the Ontario region and also because so many people in Ontario which has a large school population buy products I have mentioned such as reading lists, some help from the Canadian taxpayers would be indicated and would be very useful and help the people of Ontario to a large extent but I agree with you that the problem is a national one and that whatever is done will benefit the nation and not just any region.

DR. JEANNERET: Could I make a short observation on this point? It is a very interesting one. It is part of, I think, our dilemma. I would like to make the observation for your concurrence or contradiction, Mr. Bohne, the Canada Council has done well, we wish it could do more, that the English Canadian publishing industry is based in Ontario and it is an Ontario industry preponderantly. The French Canadian publishing industry is preponderantly a Quebec industry. The English Canadian industry has had access to some Canada Council help. The French Canadian industry has had access to parallel Canada Council help and to very, very, very major support from the Ministére des Affaires Cultural. We need to pick up the slack for the Canadian industry. Is that a fair statement?

MR. BOHNE: Yes, I would say it is.

DR. FANNERET: Both in Ottawa and elsewhere.

MR. BOHNE: The Quebec government supports, as I say, a guide of French Canadian books published annually and it supports a trade magazine substantially and it supports the operation of the Conseil Superieur du Livre.

It is this kind of support which the English language publishing business lacks, that is, assistance in addition to the Canada Council support.

THE CHAIRMAN: Well, what I want to say in relation to governments is that in the work that we are attempting to do here there is a certain sense of frustration, at least I have, for the reason that I have a strong feeling for the nation as such and for the fact that government, whether it is in Ottawa or Ontario or elsewhere, is a government of the people. More and more one has to begin to wonder whether or not the governments which ought to be responsible are, in fact, in any way interested. In any event, these are things that we will draw to the attention, perhaps in mosquito-bite fashion, of those who are charged with the responsibility of answering but it is becoming more and more pronounced. I sometimes wonder whether the government which sits in Ottawa is really, in fact, dealing with Canada. Sometimes it is a nice question. I don't mean that politically. I am saying it just in terms of administration.

Thank you very much, Mr. Bohne.

SUBMISSION OF MR. DENNIS LEE

THE CHAIRMAN: We have with us this morning a man we have seen before, Mr. Dennis Lee who has presented a brief concerning a regulatory body for Canadian publishing. Mr. Lee, we are pleased to see you again. If you are going to tell us about a regulatory body see if you can put some life in the body.

MR. LEE: I would like to make three brief comments before we begin. This is being presented as an individual brief. I am at the House of Anansi Press and the brief has the full support of my colleagues at the press but since we have already had one brief in and are about to put in a supplementary brief it seemed to make more sense to keep this as a separate matter.

I have presented a four-page brief and there are two more pages I treated you to this morning. I apologize for bringing it in late. The brief is in response to a question that the Commissioners have been asking all through the hearings. The question is, what is it you want us to do, what is it that you want us to recommend?

THE CHAIRMAN: I think there is a little life in that microphone, Mr. Lee, not very much.

MR. LEE: I have thought a good deal about the question as it has been reiterated and it strikes me that there are two kinds of

response that you get from the people parading before you, including the House of Anansi. The first and most common one, I think, is for us to address ourselves to the varied problems and difficulties that come out of the situation that we are in. So we tell you we want money, we want this law changed and we want such-and-such thing done to distribution and it seems to me that those things are terribly important but I begin to wonder whether a second approach might not also be advisable and that would be to stand back three or four paces from the particular complaints that may plague us individually and try to visualize in quite different terms from the patchwork solution some kind of more ideal situation for Canadian publishing. I have not tried to create a Utopia but I have sorted something out which is more of a speculative model and I quite recognize that speculative models have their disadvantages as well as their advantages.

THE CHAIRMAN: Let me say at the outset that I think both my colleague and I and Mr. Camp, I think, -- I for one -- are the kind of individual who thinks a great deal of ideas. I think people should produce ideas, let them be taken apart and reassembled and if a seed comes from an idea that is great. We are filled with the situation where nine people will stand up and say, "You can't do it" and one person will say "You can". This person would be encouraged

so don't hesitate in putting ideas forward and don't apologize for them. Just say, "This is the idea". Sure there are things that will have to be adjusted but this is your best thinking and we can start off from there.

MR. LEE: I think one of the things that does need to be recognized about small publishers is one that runs right into the problem you were addressing yourself to a few minutes ago. I found my heart sinking somewhat as you spoke this morning because you certainly articulated a lot of my own doubts.

The Publishing Development Board which has been mooted about a great deal in the last few months has been conceived largely as an organization for dispensing emergency money to hard-pressed Canadian houses. I think that is an admirable thing to do because all book publishers need money.

Let me read you the concluding paragraph of this brief which tries to go beyond that. It is on page 6, No. 3:

" The gist of this brief: the 'publishing development board' which has been proposed, to lend money to expiring houses, should be conceived in more searching terms. It should be the instrument by which publishers in Canada are encouraged -- by loans -- and obliged -- by laws --

" to be responsible Canadian publishers".

I think it is the second time that that of obliging publishers by laws to become responsible when they are, which forms the meat of this.

I think one of the things I am trying to say is that there are some aspects of responsibility which the government has no business with whatsoever. I don't think it has any business legislating for quality or legislating for propriety of views and legislating for content, Canadian or otherwise. My colleagues might pick me up for having chosen the word "regulatory" because it implies regulation. I am not speaking in any way of that function. I think there are aspects of responsibility that can be quantified. They may sound very náive if you went to a social science philosophy.

If I can remain in the realm of ideas just briefly, you probably are aware of the debate among economic nationalists on the left which can be summarized as a debate between Professor Watkins and Professor Rotstein and the debate turns on the question of how we control foreign capital in Canada. To simplify the position Professor Watkins says we control it by nationalism and Professor Rotstein we control it by ceasing to worry too much about where ownership lies but by bringing in legislation which compels owners to abide by our rules.

THE CHAIRMAN: Both of these gentlemen -- I have nothing against academic scientists, I love them dearly, but I notice you are quoting two gentlemen, both of whom are academics and I wonder whether it is your opinion that academics are the only people who have valid opinions in the matter of economics.

MR. LEE: No, certainly not. I singled them out because they articulated the kind of purist statements in a sense, two possible varieties of approach. As far as I am concerned Professor Watkins would like to sweep out and rush IBM back to the Canadian people. I don't have much sympathy with spending an enormous amount of energy to achieve that. My head is with Professor Rotstein. He follows the Swedish economist Einar Carlsen. The performance of the publishers, whatever their nationalities certainly we have foreign-owned companies.

I have tried to make two major applications in the nature of responsibility. The first is to imported books and the second is to the performance of publishers that have offices in Canada. I am talking about eggs and oranges, I suppose, and perhaps I should clarify that. In essence, it strikes me that because imported books have dominated the culture of this country for so long it is an equitable thing now to say that where imported books are making a

profit they should, along the way, make some small contribution towards the health of indigenous books, in other words, impose a surcharge on imported books when their importation reaches a certain level.

In the second area the grave responsibility shown by publishers who operate in this country. I am convinced that any publisher operating in Canada is responsible only if he is devoting a good deal of the money that he spends getting books to getting Canadian books and to bring them to the attention of Canadian readers. I spent a bit of time shuffling back and forth. Trying to figure out how you would figure out where to come in on that question but I suggest, as a working figure, that it should be 55 per cent Canadian and 45 per cent non-Canadian.

The application of that sophisticates it considerably. Could I ask you now, gentlemen, those are the two main areas in which I tried to apply the notion of legislating the responsibility. It would be most useful if I went through this item by item?

THE CHAIRMAN: I think we have both read the material. The last part we have had to gallop through, of course, quickly. I think we could usefully ask you some question.

DR. JEANNERET: Just two or three. You rightly surmise that -- one of your recommendations that I was going to pounce on before the Chairman did, you tried -- you did put up a defence in the form of additional pages as we walked in here this morning. You do recommend that all publishing houses with an office in Canada would be required to hold a licence issued by the Board. This licence would have a life of one year, renewable annually, no publisher or agency could operate in Canada without one. This frightens me. Every way I look at it. Notwithstanding your assurances of this morning, obviously that Board could refuse to renew a licence because of pornographic content in the opinion of the board. You say we mustn't do that.

MR. LEE: How is it obvious to do so?

DR. JEANNERET: I don't see how you could stop it or for political reasons.

The reasons behind it might be something totally different. My question is, don't you feel the right to publish is just about the same thing as the right to write or the right to speak?

MR. LEE: Sir, there is a tradition in the country that some areas in the economic and cultural and social life shared by people in the country are treated as something that must not -- there is expected and, in fact, must behave as responsible Canadian dollars, responsible Canadian culture. The CBC and CRTC regulations are an example. The regulations regarding the ownership of newspapers, for example, the ownership of banks. Now, I must say that the content of this brief, if I found myself presenting it three years ago, I think I would have fallen off my chair because it is not-- by temperment I find the notion of a licensing board quite repugnant. To lead off with it is a bit like putting a thumb in a person's eye. I quite agree. The reason I lead off with it is because it is logically necessary as a starting point, unless you have got some muscle behind these laws. It is like the federal government's performance a couple of years ago requesting foreign subsidiaries to disclose some information but not doing anything to get it. Unless you have some muscle power, then there is no way that you can do anything but issue a stream of pleas.

DR. JEANNERET: You could time it for those who perform.

MR. LEE: What about the companies that are making millions out of this country, including some infant companies, and simply find it so much easier to do that than to be responsible Canadians anyway? No matter what happens they are just going to go on dumping books here and draining the money out.

THE CHAIRMAN: More Quebec.

DR. JEANNERET: Well, we will be back on this topic. Tell my what your friend's opinion is of the morality or desirability of the Florence Agreement?

MR. LEE: I am afraid at the moment I have so many agreements in my head ---

DR. JEANNERET: That is the UNESCO Agreement for the free flow of cultural information, educational information, meaning books precisely, and the United States happens to be -- happens to have ratified the Florence Agreement, as has Britain and most of the UNES countries, but not Canada as yet.

THE CHAIRMAN: Both of those countries are the chief beneficiaries of the Florence Agreement.

MR. LEE: There is no way I would disagree with a statement favouring the free flow of ideas and books.

DR. JEANNERET: Your recommendation

that a surcharge of 2 per cent on over 500 copies of an imported book be imposed would be a direct violation of that agreement. It states categorically in the Convention that there should be no selective imposition of duties.

MR. LEE: How can the States sign it and retain the Manufacturing Clause?

DR. JEANNERET: Because there is a provision in it with respect to their own nationals copyright legislation cannot be influenced. The fact is, as I have stated it, in any event so far as your recommendation is incompatible with the Florence agreement.

MR. LEE: That is a clause that surcharges of this kind are inadmissible and you are right, it seems to me to be one thing -- there has been a certain group who share these kind of concerns that I am voicing, who have been saying "Stop the blessed book importers. There are too many imported. There are too many and we don't want to see them". I want to find some way of saying they are welcome to come here, but if they come here to make a lot of money here, they should do something for the health of books that are trying to get started here.

DR. JEANNERET: I am not taking a position on the spirit of your recommendations, but I am afraid that the literal interpretation of your recommendations might encounter some

problems, that is all.

MR. LEE: The spirit of it at the moment, I can't find a way of applying that spirit without violating this clause of the Florence Agreement but perhaps -- it seems to me it is a very good principle to try to get applied in a legal way.

DR. JEANNERET: On page 3, your paragraph 4, you make a very specific proposal that turns on categories in books in a particular way. You say:

> "For companies with 80% or more of their gross coming from educational materials, renewal of their licence would depend on their investigng at least 50% of their gross in Canadian educational materials, and at least 5% of their gross in Canadian trade books."

If there is one thing that was hammered home at us yesterday, as if we didn't already know it, it is that the distinction between these categories is coming more and more blurry and I presume you are not distinguishing between trade books and educational books or materials purely on the basis of the discount granted?

MR. LEE: No, I am not. This comes under a private kick of my own. It is entirely possible that ---

DR. JEANNERET: It would be pretty hard to administer.

MR. LEE: That is not administerable. The teeth that come out of that is a very deep resentment over the largely foreign-owned houses. They make a lot of money from foreign books.

DR. JEANNERET: On page 6 at the bottom, the pages you just gave us as you came in here, you are recommending the lending of money to expiring houses.

MR. LEE: I am not. That was a slightly sarcastic put-down of the view of the Publishing Development Board is exclusively a band-aid station. I think we need that band-aid station in the short-term right now, but I think we need something more than that.

DR. JEANNERET: That is really the key or crux of my question: Do you feel that money should be lent to expiring houses using your phrase, if their operating trends and policies offer no assurance they will be viable even with the help? In other words, are you recommending loans or recommending grants? Do you really expect these loans would be repaid? Do you really expect that they are loans in the true sense of the word? Where lies their hope of survival if they are on the wrong track? I am not saying they are on the wrong track, but an expiring house

might not be saved.

MR. LEE: That phrase was a red flag and it was perhaps silly of me to put it in.

THE CHAIRMAN: Do you mean expiring or expanding? Expansion sometimes causes expiry, you know.

MR. LEE: I can speak to that, sir. I think, Dr. Jeanneret, the question you are raising is not in my brief but I would like very much to speak to it, if I may. It seems to me that there should be a three-fold thing in the terms of issuing of money. I think the board should be empowered to lend and it should be empowered to invest and it should be empowered to grant. I am not sure if you recollect the brief that Anansi presented to Mr. Pelletier.

DR. JEANNERET: They presented it to us too.

MR. LEE: That is right. It made some attempt to suggest that, given a percentage of funds available would be tied up in loans that there is every expectation to see come back. Another percentage would be tied up in money that would be invested, I suppose, a high-risk loan. That would be a given percentage, and a smaller percentage would be for outright grants. The point I was trying to make there was to suggest that there are different kinds of cases. I don't

see the necessity for finding a single blanket policy for the use of taxpayers' money for publishing.

DR. JEANNERET: Although I am not referring to your firm at all, part of my question had to do with whether or not you feel that operating responsibility should be there before a loan is made. In other words, your brief to Mr. Pelletier that you referred to made a bit of a virtue of the fact that the bookkeeping might be pretty bad as long as the publishing was imaginative. That is what really counts. This is exactly what you said. Should such a firm -- not referring to your firm necessarily -- be supported until it gets onto a responsible operating basis financially?

MR. LEE: Two points there. The word "virtue" was used, but I think if you check the contents you will find I said exactly the opposite. The imprecision of a book industry is in no way to be construed as virtue. It is simply reality among some of the newer houses.

DR. JEANNERET: I am glad to hear you say this because it is almost essential, because of responsibilities of stewardship on the part of government, if nothing else, to the public, that financial responsibility of management be checked and accepted before any kind of support, grant, loan, or otherwise is

considered. Then you study the justice of the case.

MR. LEE: True. I think perhaps my feeling would be that point 1, the injection of public money is contemplated. The injector has to satisfy itself they are going to be -- the bookkeeping is going to be adequate, for example, there is going to be some way to trace how money is used. People have solid plans, et cetera. There is a possibility that in some cases it would put a company on a money-making basis. There is a possibility that in some case it wouldn't do that, but one should consider the goals it is going to achieve are worthwhile, nonetheless.

DR. JEANNERET: The bookkeeping should be taken first.

MR. LEE: I think it should be taken at the same time.

DR. JEANNERET: Agreed. It should be a condition.

There is one other question and I addressed this to the independent publishers yesterday. I do not fully understand how -- I admire your efforts here tremendously -- how by devoting yourselves exclusively to that category of publishing which all the long-established relatively successful publishers -- and they seem to be successful ---

THE CHAIRMAN: Powerful or

foreign-controlled?

DR. JEANNERET: I am sure this cannot be undertaken without the support of educational publishing on the one hand and imported publishing on the other.

Now, you are operating in a field which is supported by those two variants but without either of those two departments, generally speaking, do you see any hope of succeeding purely by publishing fiction and poetry and some non-fiction? I would like to think you couldn't succeed -- don't misunderstand me, I am not criticizing you -- but are you on a hopeless tack here?

MR. LEE: Dr. Jeanneret,this is a question that we are asking ourselves in a very, very searching way right now. Anansi's supplementary brief to the Commission is going to be addressing itself squarely to this. I don't know the answer.

DR. JEANNERET: I don't either.

MR. LEE: So long as we are not succeeding too much, we believe we can do it. When we start succeeding, wham!

THE CHAIRMAN: When you start succeeding, that means when you start expanding?

MR. LEE: That is it.

THE CHAIRMAN: Expanding, not expiring. Dr. Jeanneret asked you whether you thought the right to publish was comparable to the right to speak and things of this kind. Do you think that the right to publish is one which, as it is now, should be open to anyone who wishes to publish whether he is Canadian or domiciled here or re sident her or anyone who wants to publish? Do you think that this is a right which should be

in any way altered?

MR. LEE: I think any person should have the right to publish. I think in the given situation in Canada if a person wishes to publish, then it is entirely legitimate to say, "Go ahead and publish but there are some ground rules you are going to have to follow".

THE CHAIRMAN: With conditions?

MR. LEE: Right.

THE CHAIRMAN: If you impose conditions with respect to publishing, are you not then in a position of saying, "If you don't meet the conditions the penalty therefore is thus and so"?

MR. LEE: Yes.

THE CHAIRMAN: All right, what would the penalty be -- the taking away of the right to publish?

MR. LEE: I suggest that in this way the penalty would be payment of the difference between what, under legislation, the company was expected to put into indigenous books and what it would actually put in. That money would be used to support the authors and publishers and they would be allowed that short-fall to use but if the short-fall continued three years out of five then their licence would be revoked and they would be welcome to leave the country or start importing books again.

THE CHAIRMAN: So, once you put the

conditions on somewhere along the line you are going to say, "If you do not comply with the conditions, then your licence will be revoked"?

MR. LEE: There are conditions on every publishing work that comes into this country. That seems to me such an eminently low level condition to impose. It is much less tough than legislation we already have on other media such as newspapers.

THE CHAIRMAN: There is no question that there are areas of the communications media which, as we have heard very many times, are very heavily regulated now. I think it was you who drew to our attention the lack of attempt, if you will, on the part many of the major publishing houses in existence in Canada to become involved in the publishing of novels and poetry and things of this kind and I think it was your point that there should be an obligation upon firms to publish novels and poetry and things of this kind.

MR. LEE: I don't believe, sir, that one would say not only do you have to put 55 per cent of your book money into Canadian material and you have to put a certain percentage of it into Canadian novels. If everybody wanted to put into textbooks or something, I think that is their choice.

THE CHAIRMAN: That is the choice they are making now, isn't it?

MR. LEE: Yes.

THE CHAIRMAN: And that is the choice you complain about?

MR. LEE: If they are importing all their cook books I think that is improper. If they all come out with The Canadian Cook Book, you are going to cut each other's throats and someone is going to start wandering into fiction and other publishing but I am quite happy for the relatively non-commercial authors in the country who have to take their chances if the publishers in the country are obliged to start doing the proper kind of publishing. I have enough confidence in some of the publishers that I think writers here would get the same kind of shake that they get in other countries which is not good enough but a lot better than what we are getting now.

THE CHAIRMAN: I don't think I have any further questions.

DR. JEANNERET: I would like to know for my own satisfaction -- I think the Council can say this -- that the Province of Ontario Council for the Arts has recently granted you $5,000, hasn't it?

MR. LEE: That is right, sir.

THE CHAIRMAN: Well, we thank you very much. We appreciate your thinking about this and commenting in the way that you have. Thank you.

SUBMISSION OF CANADIAN INSTITUTE OF INTERNATIONAL AFFAIRS

THE CHAIRMAN: We have with us now representatives of the Canadian Institute of International Affairs, Mrs. Magee and Mr. Holmes.

We have had a look at the brief but if you would touch on the high points, we would appreciate it and we can discuss it with you.

MR. HOLMES: Thank you, Mr. Chairman, I will just say a brief word and I think Mrs. Magee, who has a lot more experience in publishing than I have, if you would address some of your questions to her.

Briefly I might say that we took advantage of this opportunity to present a situation which I am sure you are aware of the problems in. It is in the field of publications and particularly it is foreign policy and I am sure what has been said here it applies to other aspects equally. I deliberately say we just want to draw your attention to a situation rather than make very specific proposals. Above all, this complaint is not directed against Canadian publishers, either subsidiary publishers, the publishers or others. The real problem, I think, is a kind of publication, a kind of research which is absolutely essential for the health of the national community has become, I think,

uneconomic.

An organization such as ourselves have been dealing in the past with publication and more or less assisting in the preliminary research work for publications. Costs, of course, are rising to such an extent that this becomes more and more difficult. We usually direct an author, or commend to an author, a manuscript hoping that it can be done by a commercial publisher. We do this quite regularly. Only this morning I was talking to one commercial Canadian publisher about a manuscript that I think ought to be made available but I couldn't honestly tell him I felt it would be economically possible for him to do so. This is really the situation. We are going to have to have -- I am speaking here more of books -- we ourselves, as has been pointed out here, have produced periodicals. We have certain facilities to do that and these are probably the only periodicals in Canada strictly devoted to international affairs. Of course, it would not be possible for anybody to publish them except at a great loss.

An increasing proportion of our funds go into the producing of such periodicals. I think if we had to give them up there probably would not be any periodicals of this kind with one notable exception -- Canada And The World which is a remarkably good publication for high school students in this field, with quite a wide

circulation.

That briefly is the gist of this. I think it is essential. I am speaking partly also as one who is himself engaged as a part-time professor, Mr. Chairman, teaching Canadian foreign policy at the University of Toronto. I am very much interested and the Institute in encouraging the studies of Canadian foreign policies. This has increased in popularity. You know there has been some discussion. One of the great problems of teaching Canadian and foreign policy is the great lack of textbooks.

THE CHAIRMAN: Has it anything to do with the lack of foreign policy?

MR. HOLMES: I don't think so. We have had an enormous amount of foreign policy.

THE CHAIRMAN: Of various kinds?

MR.HOLMES: Of various kinds, yes. Whether it has been good or bad there is a great deal of it but it needs much more analysis. It is very difficult to find a large enough bibliography for students. I think frankly one of the reasons that there is more American foreign policy taught in the schools, as you have noticed, one of the reasons may be to some extent the presence of American trained professors but one of the reasons is that there is so much more interesting material of all kinds, not only in text-books and analyses but books of memoirs and the kind of things which is very much lacking in the

study of Canadian foreign policy and I think this is an unfortunate situation.

I hppe in some way we can find funds to enable us to do it to some extent as a private institute and with the help of foundations, both Canadian and non-Canadian foundations. Canada Council, of course, is indispensible. Some of their rules have related to this but they are changing their rules and this will be helpful but there will have to be some considerable infusion of funds from some source if this is to continue and that raises, of course, all the questions of how funds can be used without influencing the opinions of people who are writing and publishing.

I think roughly that is what I have to say, Mr. Chairman. I am sorry, there was one other point I would like to mention that we are involved with and that is the question of translations, the great cost of translations.

I have, at the present time, several first-class manuscripts written by French-Canadian scholars. One of them, a young scholar at the University of Quebec, I have been told by international scholars is the best kind of its type, on an international subject. He would like to have an English-speaking market but the costs of translation and other things would make it very great indeed. I mention this simply because it is typical of this particular problem in Canada and, of course, works to the detriment of the

publishing industry.

THE CHAIRMAN: Or it doesn't work at all.

MR. HOLMES: Or it doesn't work at all.

DR. JEANNERET: Could I encourage you, Mr. Holmes, you know anybody who has scholarly publishing as a vocation is not going to be in controversy with me and, therefore, I don't have many questions but I wonder if you could distinguish between publication for its own sake in the scholarly area and publication of scholarship which genuinely involves the making available of additional information and thereby adding it to the store of human knowledge from which many of the kinds of books in which we are all interested will be produced, some of the ones you have already talked about on American foreign policy translated, and so on? There are two kinds of publishings and we have to be on our guard.

Of course there is phony scholarship too, but that is the most easy to detect of all.

MR. HOLMES: I think this is a very important distinction. It seems to me in the United States the publisher will perish with the pressure there and it has led to the publication of an enormous amount of material that simply is not worth printing. It might be worth sending around in some sort of photocopy form. It was published because it was important to the career of a particular scholar to have a published book. I think that is a problem in the United States.

DR. JEANNERET: You are not asking for help there?

MR. HOLMES: No. I don't think this applies in Canada because there is, in fact, so little which is published. We can quite easily give a priority to the manuscripts which are undoubtedly helpful to a scholar in his career but also material which ought to be made available which will help enlighten the public of Canada in the study of others.

DR. JEANNERET: The request that I found -- I was looking for something in the way of a request in this brief and I read into it a general recommendation for support, additional support in the form of government assistance, different levels of government perhaps, for the purpose of subsidizing scholarly

publishing, particularly in the field of interest of the Canadian Institute of International Affairs. Assuming that that is a recommendation, I wasn't clear whether or not you advocate that the dispensing of such funds should be entrusted in this case to the CIIA or should be made available through some existing or some yet to be invented provincial body in the provincial area, or does this very much matter?

MR. HOLMES: I was rather anxious, I think you are quite right in diagnosing what I had in mind. I was quite anxious, in fact, not to make this sound like a plea for funds for the CIIA because, really, the plea is directed generally, I think -- it might be such funds could be dispensed directly to publishers. The Canada Council or the Ontario Council of the Arts which extends into this field --

DR. JEANNERET: Not yet.

MR. HOLMES: Some Ontario body might do this direct and could do it through various organizations. I would think certainly as far as our Institute is concerned, we have been doing this kind of thing with funds from foundations and others which we would be quite happy to consider such an agency, but I would not want to suggest that you think we should be exclusive.

DR. JEANNERET: On the matter of translations, which I don't recall this having

been developed in your brief so much, this is a very interesting subject indeed. Would you take the position that what is needed is sufficient level of support of the cost of translation to eliminate the cost of translation as a factor in the decision to publish, that is to say, if competent publication in the other national language were assured, then the cost of translation should not contribute to the publisher's dilemma as to whether or not he should publish? Is that the level of support we are talking about? Is that fair?

MR. HOLMES: Yes, exactly.

DR. JEANNERET: It does sound very much like a national, rather than a provincial problem.

MR. HOLMES: Yes.

DR. JEANNERET: I really don't have any questions to ask.

THE CHAIRMAN: To that extent I am sure that you must have made representations to the national body which might become a participant in providing funds? Have you done so?

MR. HOLMES: Yes, informally we have done so. We have made some of our views known.

THE CHAIRMAN: Which group did you approach in Ottawa? That is the locus.

MR. HOLMES: We have -- we have, of course, talked to the Canada Council a great

many times and discussed it and they have always been very helpful. Shall I say there is really no national body at this point other than the Canada Council. A point that we have made in quarters, I should suggest, that might be influential in this matter, is that the -- in the last White Paper there was a good deal of emphasis on increasing Canadian interest in certain parts of the world, notably the Pacific and Latin America. There were implications that things would be done to improve the study, which I would consider improved possibilities for publication, if you will, and we have encouraged movements -- we have made it quite clear, I think, that we don't see any possibility of this being done on a large scale without large funds of some sort. We have ourselves -- we are just concluding a three-year program with the assistance of the Ford Foundation, to promote studies of contemporary China in Canada. We are quite clear this is a matter of considerable importance to the government. I don't think there is any possibility of developing major facilities of translating which includes, of course, publication of materials in Canada, unless it is sponsored by -- in a large way -- by one or other of governments of this country.

DR. JEANNERET: You moved away from translation there a little bit. That is all right, but implicit in the ideal formula that

I postulated a minute ago was the notion that there be no value judgment made of any kind by any granting body regarding the manuscript if competent publication in the other national language were assured. Would you agree with that? I mean, I think that one of the hang-ups, if I may say, with the Canada Council -- I don't say this critically -- is that they have tended to weigh the propriety of the work or the appropriateness of the work, whereas, if it could be a flat policy, it still could not conceivably lead to very heavy expenditures since the condition would be competent publication being assured. Is that a fair statement? I mean, tear it apart if you like.

MR. HOLMES: I entirely agree. I should have realized your question, Mr. Rohmer, on the matter of translation,and there is a national body.

THE CHAIRMAN: You got the gist of what I meant. I am not -- that is another matter.

MR. HOLMES: But I would -- I certainly would like to see this. I think, for instance, there is a situation where a good deal of help is being provided now for oral translation for meetings, simultaneous translation, and that sort of thing. I think written translation is just as important as oral translation and not quite as expensive.

THE CHAIRMAN: Can we go back, please, to the -- from the White Paper of which you speak there was evidently some word of encouragement, perhaps. I will be direct: Have you taken up with External Affairs or the Department of the Secretary of State the question or the proposal or the proposition that you put to us with any request for a sort of meaningful participation?

MR. HOLMES: We certainly have indicated informally, this is at the informal stage, and probably more quiet diplomacy can be more influential in this case -- we would like to encourage moves in that direction and we think they are required. We don't think very much can be done by private organizations or institutions in this country with regard to the Pacific and Latin American affairs unless there is some very substantial assistance. I put it from a government because the federal government is responsible for the paper and is responsible for international relations and obviously their responsibility, although I also realize, of course, there is the question of their activities in education spheres, which is a complex one.

THE CHAIRMAN: Do you think they are really interested in hearing from the scholars or the private sector in relation to matters having to do with our external affairs?

MR. HOLMES: Well, one place where I made these views known was at a meeting about two weeks ago organized by the Department of External Affairs to enable their officers to meet for several days and have discussions with members of the academic community from all across the country.

THE CHAIRMAN: That is encouraging. In connection with the White Paper and with your very vast background in this field, there is a question which I would want to put to you which may not be directly relevant to the proceeding, but in any event, since it has to do with the publication called the White Paper and possibly a whole book may be written on the question, I am going to ask you: What is your view with regard to the vacuum that is hidden in that White Paper with regard, basically, to the United States relationship with ourselves?

MR. HOLMES: Here I am in a slightly difficult position.

THE CHAIRMAN: Don't let me put you in a position.

MR. HOLMES: I am a director of an institution which, by its constitution, does not express views on matters of international policy as an institute. We can express views on matters of public policy.

THE CHAIRMAN: Put your academic hat on.

MR. HOLMES: This is a view of an assistant professor of political economy at the University of Toronto.

THE CHAIRMAN: We have had academics taking all sorts of position around the countryside.

DR. JEANNERET: You could contradict it in your other role.

MR. HOLMES: Yes. I think it was probably just as well -- I have some doubts about the wisdom of the White Paper in the form in which it was published, for the simple reason that it is exceedingly difficult for the government, because it is a government, because it is a member of the international community, it is exceedingly difficult for them to talk with frankness and candour about their friends and allies or even ---

THE CHAIRMAN: You are an economic nationalist.

MR. HOLMES: I am not thinking only of the United States. I am thinking of a government, part of the international condition must be careful what it says about another country, even if it is a hostile country. I think for a government, therefore, to write a paper about our relations with the United States which would not cause an international difficulty and at the same time seem intellectually respectable to the reader is impossible. I would prefer they would not try. I think this

is the sort of thing which ought to be left to others because, as private citizens we can write books about the United States-Canadian relations and say anything we like about the United States or Canada, or any other country, but governments can't talk that way. I think there would be a blandness about it.

THE CHAIRMAN: I wonder if this is perhaps why Mr. Gray's book is not yet published? I any event, can we move on to something else? This is a very interesting subject to me. You have had some assistance with regard to publications from foundations?

MR. HOLMES: That is right.

THE CHAIRMAN: Aside from Canada Council have you seen any evidence of any assistance financially fromthe federal government?

MR. HOLMES: I think there is an increasing disposition in the federal government to consider this. The Department of External Affairs, for example, has never in the past had any allocation and it has never had any budget which could be used for assistance of this kind.

THE CHAIRMAN: Do you know if there is any other department whichhas?

MRS. MAGEE: Information Canada has an item to support publication for the information of the Canadian public but we haven't been able to find out from them what they

intend to do with this money. It is a small amount of about $25,000.

THE CHAIRMAN: But you have been asked about the point?

MRS. MAGEE: We felt the Information Canada, which is our summary of government policy statements and so on, was the type of thing that should be supported by this type of grant from Information Canada, but so far we haven't convinced them of that.

THE CHAIRMAN: I don't think you have a monopoly on that.

MRS. MAGEE: External Affairs has supported our publication to the extent that they do buy it and distribute it outside the country but this applies to other publications as well.

THE CHAIRMAN: Do you think that really there is an area of obligation or there should be an area of obligation on the part of the federal government to support both the authorship, research and the publication of books on matters concerning our relations with other countries? Do you think this is something that the federal government should be involved in and if so, why?

MR. HOLMES: Well, first of all, I should make it clear that our Institute has never received this kind of services and we didn't want it. It was contrary to the aims of the Institute when it was founded.

THE CHAIRMAN: You are talking about your Institute getting money. We are talking about the whole composition that there should be a much broader awareness of our external relationships and the policies that are being enunciated from time to time by the government and the history of all of this, the business of research and that this should be vastly expanded. I think this should be vastly expanded, not necessarily your organization should receive grants.

Going back to that point, do you think the federal government has a major responsibility in this regard?

MR. HOLMES: I think probably I am driven to this. We ourselves have always felt it was better if the federal government did not do this, hold concerns about Parliamentary grants and that kind of thing and foundations. The Canada Council, as far as we are concerned, I don't think we have ever felt any constraint against them. I think if the federal government is going to do it -- I don't know from where else this kind of money is going to come -- we have not enough foundations in Canada of the size required. It will obviously have to be done through the Canada Council or some other body, which I think is most unfortunate and I would not see any disposition in Ottawa to have it depending upon Parliamentary grants and subject to the whims of Parliament.

DR. JEANNERET: You are not really talking about huge money all the same, are you? In commercial terms we are not talking millions, we are talking hundreds of thousands at the very most?

MR. HOLMES: Exactly.

DR. JEANNERET: In the total scholarly publishing area?

MR. HOLMES: Yes. It is really not a very large sum. One of the encouraging

things, and I think one of the reasons for the pressure here is as we mention in the brief that there has been such a large increase in the last few years of publishable material, The community of scholars in Canada has increased greatly and although some of them,as is well known, are not Canadians, many of them are identifying themselves with the Canadian community and would like to publish in Canada which is another thing that helps to make them part of this community.

A few years ago one of the troubles was to get the few scholars available in this field to find time to write, they were so busy doing things. Now, our desks are literally piled high with manuscripts.

THE CHAIRMAN: Could we just close, perhaps, by examining the last question?

Completely apart from the question of publication and research, scholarly and otherwise, in the field of External Affairs, do you or both of you consider that not only in relation to External Affairs but in relation to many other areas of the public concern in relation to governments and in relation to the workings of government in this country -- I am talking federal in this sense -- and in the matter of translation, the whole of the area of governmental concerns that there might well be consideration given to the practicability of if you will, and the need for an organization which has some degree of

centrality in the federal scene which can overview and overlook and have a budget to support various matters of this kind? I mean just in terms of government interests alone.

MRS. MAGEE: Well, yes, I agree with that. I wonder if we cannot perhaps have something like an export development corporation for publications?

THE CHAIRMAN: Well, export means export, but I am talking about internal.

MRS. MAGEE: No, but using the same sort of system. I mean from what I understand and from what I have been editing in the last few years about the National Development Corporation it is designed to encourage things that are financially not feasible and I think certainly with our circulation this is our problem, we have a circumscribed market inevitably and it is not that we can't publish a book on which we can break even. We are not going to break even for 15 years and meanwhile we have to find the money to carry ourselves on. I am sure this must be true of other aspects of government but I think too, External Affairs or international relations or whatever you want to call it, has become increasingly broader and we are now covering the whole area of trade, investment, fisheries regulation and all this type of thing, and it is taking in probably about 50 per cent of the work, certainly what the federal government is doing plus a tremendous amount

of trade promotion that is being done on the provincial level.

MR. HOLMES: Can I add one comment?

THE CHAIRMAN: I hope so.

MR. HOLMES: I was not using the term "pejorative". We are a national organization and we draw our funds from all across the country. We are expected to operate for the benefit of the entire country. Inevitably because our national office is situated in Toronto and our library is in Toronto, there are benefits to citizens of Ontario which are not shared elsewhere and this is a cause of constant and continuous criticism from our members in other parts of the country. We are, I think, one of the few institutions of this kind in Canada which does operate in both languages.

We have our base in Quebec City for our operations in French. We do get considerable help from the Province of Quebec in organizing conferences and assistance in the specific subjects.

I would just like to say that I think, although our subject is very much a federal matter in Canada, nevertheless the work we do and the assistance to education we do, perhaps does require some assistance from provincial governments as well as the federal government. Possibly if organizations get assistance of this kind from the more sources, the better, as far as

they are all concerned, without governmental direction or governmental interference.

THE CHAIRMAN: Well, in response to your concern about the position of having to be in Toronto you should take some degree of encouragement by the fact that in essence Toronto has done more for national unity than any other place because it binds people together. Once you get outside of Toronto everybody hates Toronto so much, it is a national force for unity and it doesn't apply only to your organization.

Now, we thank you both very much for coming. It has been a very interesting and most helpful session.

MR. HOLMES: Thank you.

THE CHAIRMAN: We encourage you to storm the bastions of Ottawa in good time. If you see any sign of life you might let us know.

SUBMISSION OF CANADIAN REVIEW OF BOOKS LIMITED

THE CHAIRMAN: Now, we have representatives of Books in Canada which is published by the Canadian Review of Books Limited, Mr. Val Clery, Editor, Mr. Randall Ware, Assignment Editor and Mr. Douglas Marshall, Managing Editor.

Mr. Clery, it is nice to have you here with us and your colleagues. In the usual way I wonder if you would discuss your brief with us and then we will talk to you about it?

MR. CLERY: Thank you, Mr. Chairman. Gentlemen, we come to accept responsibility for our recent actions, we hope the grounds and the ends of those actions are obvious as set out in our brief and speak for themselves. If you have found otherwise we are very willing to speak for them.

We are the editorial caucus of books in Canada. Randall Ware is Assignment Editor, Mr. Douglas Marshall, Managing Editor and myself plain Editor. These are intended to conceal a wealth of activities and if you can equate book publishing for a moment with greatness the role of book publishing in our case has been thrust upon us. We are glad it has been and we are glad to be here to help. We will be glad to throw the ball to you on the basis of our brief.

THE CHAIRMAN: Ball or book?

MR. CLERY: Book.

DR. JEANNERET: Just two or three specific questions and one general request, I think. Your whole project is at once laudable, ambitious and possibly impracticable and I read between the lines that substantial assistance is going to be needed somewhere along the line if this is going to work. I am inclined to ask you right away whether or not you would be good enough to file with the Commission the most complete financial information you can, including your detailed operating budgets, as comprehensively

as you have worked them out for your own information, if you can. Would you include a list of your staff, the curriculum vitae of the members of your staff, so we will know what they have done in the way of publishing, book publishing in particular in the past? If they haven't done any that is all right but we would like to know what they have done and we can perhaps have some additional discussions with you later if we need to.

You are projecting yourself into a very critical area of communications, book publishing, and you could have a profound influence on the welfare of Canadian book publishing in the long-run.

I am worried about the practicability of a couple of your intentions. You say:

" There will be current lists of cloth and paperback books listed by subject matter, with both Dewey Decimal System and Library of Congress numbers given."

Have you budgeted the cost of providing that information?

MR. CLERY: Well, we have the means of doing this.

DR. JEANNERET: You have the facility?

MR. CLERY: We have the facility at the moment at no cost.

DR. JEANNERET: Where are you going to get the Dewey numbers?

MR. CLERY: Well,we prefer not to say.

MR. WARE: It is depending on another brief

THE CHAIRMAN: That is not mentioned there.

DR. JEANNERET: It is not mentioned there, no. You will catalogue the Dewey?

MR. CLERY: It is an arrangement which we are at the moment negotiating and we would be prepared to include that in our statement.

DR. JEANNERET: Will you tell us about it?

MR. CLERY: Yes.

DR. JEANNERET: It is not an easy thing to do and many is the publisher who has considered doing it and backed away from it when he realized what he was getting into.

My one other question is: Will the current list that you promise be limited -- I stress that word "limited" -- to Canadian-published books, and I presume books about Canada, perhaps? I am not sure whether or not the Canadian aspect of this may be only a major emphasis or if it may be the whole thing?

MR. CLERY: We would like to make it the whole thing.

DR. JEANNERET: You have evolved in your thinking since you and I first discussed this.

MR. CLERY: Yes, and the Reviews of Books are not exclusively Canadian. We mean to review, as part of a group, relevant books, imported books; in other words, if we are reviewing

books on our ecology the main emphasis would be on Canadian books of this kind, rather than books from other countries, but if we should discuss them, we will discuss them.

DR. JEANNERET: There may be some pretty strong financial temptations to get more and more international.

MR. CLERY: We hope we can resist them.

DR. JEANNERET: Do you expect your venture will break even? This will become evident when we look at the budget.

MR. CLERY: It depends how much work and time we, as a group, are prepared to put into it.

THE CHAIRMAN: I take it your answer is yes to that?

MR. CLERY: Yes.

THE CHAIRMAN: In the material you give us, I would be glad if the information would include projections of your expenses and revenues. Have you looked at the next two years, for example?

MR. CLERY: We have looked at about one year.

THE CHAIRMAN: Well, perhaps you could extend beyond that for a two-year time situation if it doesn't cause too much difficulty in terms of time. Your initial circulation would be 40,000. How do you achieve the 40,000, do you

think?

MR. CLERY: Well, approximately about 80 per cent of that will be through bookstores. In other words, we will assign a certain number of copies to different categories of bookstores. We send them free, and they can increase that supply at a nominal price if they wish it.

THE CHAIRMAN: Your cirulation will be international, will it not?

MR. CLERY: This is becoming quite evident, yes. We have had a number of subscriptions already from American libraries and we are sending a proportion of this run to the ALA Conference in Dallas under the sponsorship of Industry Trade and Commerce.

THE CHAIRMAN: Does that mean the subsidy comes from Industry Trade and Commerce?

MR. CLERY: As a part of the present run to take to Dallas. They are going today, as a matter of fact.

THE CHAIRMAN: Very good. That is most interesting and most encouraging.

MR. CLERY: From our point of view, sir.

DR. JEANNERET: Because of the format you have adopted -- I must confess that, thinking it over, I have not been able to make up my mind whether you are on the right or wrong track there. I am sure you don't know for sure yet either, but it is a very interesting

decision anyway. The format you have adopted and the kind of distribution that you should be budgeting for, requires access to periodical distribution facilities that you may or may not have or may or may not get. Have you looked into this?

MR. CLERY: You mean newsstand distribution? No, we have not looked at this. Certainly in the first year we are not aiming to go to newsstands. With your permission, you are well aware that this is a very difficult area to penetrate and I think one of the strengths that we have as far as the point of view of publishing is that we are going directly to book buyers, book borrowers and potential book buyers.

DR. JEANNERET: You are budgeting $40,000?

MR. CLERY: Yes.

DR. JEANNERET: Paid circulation, you hope?

MR. CLERY: And not all paid. Subscriptions, of course, our system of distribution covers subscriptions from libraries in both high school and public libraries.

DR. JEANNERET: Yes, but you expect this is not a free distribution?

MR. CLERY: It is free to book sellers.

DR. JEANNERET: Entirely free?

MR. MARSHALL: They have the option of a nominal handling charge.

DR. JEANNERET: How are you allocating them among booksellers? How do you work out your quotas?

MR. WARE: We have a very comprehensive list of bookstores in Canada and we divide them into A, B and C stores and A stores would get approximately 100 and B stores would get 50 and the C stores would get about 30 or 35 copies.

MR. CLERY: With the option to purchase more if they wish. The option to charge for it if they wish, and we recommend the price of a dime but if they wish to give it away to customers, we are quite happy about that.

THE CHAIRMAN: Have you had one distribution yet?

MR. CLERY: No. This issue is not for public distribution.

THE CHAIRMAN: How many do you have on your staff at this time?

MR. CLERY: We have no staff. We have five partners plus a salesman who works on commission and no other staff.

THE CHAIRMAN: I see. All right. That makes up your group. Well, we appreciate your coming. We applaud your initiative and we hope that your initial capitalization

of financing is going to be sufficient to be able to jump over the hurdle without having to crawl over it. If we can encourage you or assist you -- we don't have any money ---

MR. CLERY: Neither do we.

(Laughter)

THE CHAIRMAN: We should have gathered that but in any event we encourage you on your work and hope it is very successful.

MR. CLERY: Thank you.

DR. JEANNERET: This is confidential? Is this actually published?

MR. MARSHALL: 4000 copies of that have been distributed to various people.

THE CHAIRMAN: That is why I asked earlier if you had made a distribution.

MR. WARE: Libraries only.

MR. MARSHALL: Yes.

THE CHAIRMAN: Thank you.

---Luncheon adjournment

---The hearing resumed at 2.00 p.m.

THE CHAIRMAN: We have with us this afternoon Mr. John D. Allen, President of Thomas Allen & Son Limited. I wonder if you would be kind enough to talk with us about your brief? We have read it but if you could touch on the high points we would appreciate it and then we will discuss it.

SUBMISSION OF THOMAS ALLEN & SON LIMITED

MR. ALLEN: Fine. I would say that the most important part of it all that concerns me considerably is the library business in this country, university, elementary, high school et cetera. This is an area where there has been an exceptional growth in purchasing and the support of the Canadian publishing industry has not been that great by a lot of the various people in the field of library science.

THE CHAIRMAN: Can you tell us something about the nature of your business? What kind of business is it?

MR. ALLEN: We have been in business over 50 years. We have not published too many titles latterly but we have over the years published a considerable number. We have employed approximately 40 people. We have an investment in an English publishing company which has been a very interesting thing.

THE CHAIRMAN: Then, is the nature of your business basically an agency?

MR. ALLEN: That is correct.

THE CHAIRMAN: You import?

MR. ALLEN: That is correct.

THE CHAIRMAN: Where does the bulk of the books which you handle come from?

MR. ALLEN: I would say they come from the United States and from Britain.

THE CHAIRMAN: You say you have not done any publishing here in Canada in recent times?

MR. ALLEN: Not too much within the last two or three years, no.

THE CHAIRMAN: Why is it that you have moved away from the publishing industry?

MR. ALLEN: I guess partly because I wanted to organize my business so I could handle it a little on an economic basis.

THE CHAIRMAN: Does that mean that your experience with regard to creating books was one which was not profitable and one which you felt you should not continue with?

MR. ALLEN: No, I would not really say that at all. I am still very interested. As I was saying, I was trying to organize my business financially so that I could eventually do this and do it properly within the next few years.

THE CHAIRMAN: Well, on that basis,

I understand what you are saying but I am just interested in the reasoning that moved you away from -- I know you want to organize your business profitably. Do I take it then that the publishing that you did was not profitable?

MR. ALLEN: It was very, very profitable indeed.

THE CHAIRMAN: Then, could you help me further?

MR. ALLEN: Surely. It was about three or four years ago when I purchased the firm and then I started another publishing firm and I have been trying to organize both of those companies so that they can be viable companies and successful, and eventually do a lot of publishing and that is where the only feature of the publishing industry is really, it has got to be in publishing. You can still, let us say, distribute for a market a lot of imported titles but the publishing is a very important part of it all.

THE CHAIRMAN: So, that it is your intention to get back into publishing?

MR. ALLEN: Very definitely, very definitely indeed. I have published two books in the last year for one English company. One was a hockey book ofwhich we have sold 50,000 copies in colour. The other on Indians we just published a couple of months ago and I think it has every reason to be quite successful.

THE CHAIRMAN: What kind of market are you looking for there?

MR. ALLEN: We are looking at the institutional market, we are looking at the retail market and all the various institution markets.

THE CHAIRMAN: You say it is an Indian book. Are you talking about Canadian Indian?

MR. ALLEN: Yes.

THE CHAIRMAN: Who is it by?

MR. ALLEN: It is by Mrs. Al Green who lives in Brantford. She is on the Reservation.

DR. JEANNERET: Mr. Allen, it is good of you to come and the questions I want to ask pursue the same line that the Chairman started. It is not that I don't have a general idea of the answers to some of the questions but this is for the record, as you understand. I would like to ask a general question of you in relation to this Commission and its functions. As I say, don't read any criticism into it but do you feel that whatever recommendations might come out of this Commission should be designed to assist the importing publishers as such except insofar as by helping them you might strengthen their capacity and activity as original Canadian publishers?

One of the central questions in your brief was: Get us back that library business that is being bought around us right now. Why should we?

MR. ALLEN: I think we should because firstly and foremostly there are a considerable number of library institutions who are buying publisher books outside of the country. This is not a bad idea, I guess, I don't know, maybe they are saving a little bit of money. On the other hand, there are many Canadian publishers who do Canadian publishing and they also have a certain amount of agency business. Now, the Canadian published books are getting a second-rate exposure as far as I am concerned and this is what I am concerned with.

DR.JEANNERET: You are really putting in a plea on behalf of those publishers who do a significant amount of Canadian publishing then?

MR. ALLEN: And I am also putting in a plea for people who are agents because if you want to take a look at it, any publisher of any consequence has had at one time or another, or still has, a certain portion of their volume in agency business.

DR. JEANNETERT: How true, but the converse is not true. There are firms that do a good deal of importing and don't do any Canadian publishing to speak of at all, is that not so?

MR. ALLEN: I agree on that.

DR. JEANNERET: I am not answering the question but this is a real concern of ours. About how many -- well, you have answered it -- new

Canadian books you are publishing annually and you say two. I was able to count 12 books of yours in Canadian Books in Print. That is about how many you would catalogue I guess at the present time?

MR. ALLEN: That is right.

DR. JEANNERET: Give or take one or two. Tell us something about your editorial set-up then for this Canadian publishing. How many editors do you have?

MR. ALLEN: We have one editor who acts in a freelance area for us.

DR. JEANNERET: No full-time editors?

MR. ALLEN: That is right.

DR. JEANNERET: What is your relationship to the original S.T. Saunders?

MR. ALLEN: None whatever.

DR. JEANNERET: It is original publishing you are going to do?

MR. ALLEN: Yes.

DR. JEANNERET: I don't quite understand that. Would you explain?

MR. ALLEN: Thomas Allen has a financial interest in the Hamelin Publishing Company and run the company.

DR. JEANNERET: Overseas?

MR. ALLEN: No, here.

DR. JEANNERET: It is a Canadian publishing program?

MR. ALLEN: Yes.

DR. JEANNERET: Tell us something about it if you will, in the way that it is a Canadian publishing program.

MR. ALLEN: Well, we have published a hockey book of which we sold 50,000 copies in the last two years.

DR. JEANNERET: You didn't publish those in the name of Allen?

MR. ALLEN: That is right.

DR. JEANNERET: In general, how many editors have you?

MR. ALLEN: We used the same editor that we have been using.

DR. JEANNERET: Well, we are very much concerned about the implications of business lost to publishers representing foreign firms where they are using their publishing capacity to produce new Canadian materials. We have not arrived at anything like a conclusion as to what should be done about this. Perhaps it is improper to prevent everything from being bought around but I find it very difficult to fit a non-publishing firm's interests into the picture although you are beginning to publish and I take it from what you say that you expect this to expand as rapidly as possible, is that your hope?

MR. ALLEN: Very definitely, yes.

DR. JEANNERET: More power to you.

THE CHAIRMAN: If I might comment on

this it seems when you are standing on the border and watching all the books go by that there is a tremendous amount of direct mail acquisition in Canada of books by mail from the United States. Would you agree that this is true, that book clubs and acquisitions of libraries are buying directly from publishers and things of this kind?

MR. ALLEN: I would not say it is direct from publishers. I would say that the book clubs are very much in evidence.

THE CHAIRMAN: Well, for example, the university libraries are buying around and in the United States. Where would they be buying from?

MR. ALLEN: They are buying from various wholesale jobbers throughout the United States.

THE CHAIRMAN: Would there be any merit in looking at the volume that is coming into this country by direct mail, either through book clubs or otherwise? Can you tell me whether or not some preventative or withholding measures might be taken?

MR. ALLEN: I think it would be very expensive to do so, as far as the book clubs are concerned. There are a lot of book clubs whose subsidiaries are located here in Canada and, of course, affect the Canadian economy in one way or another.

THE CHAIRMAN: I am not talking about

book clubs resident in Canada. Let us talk about book clubs that are in existence in the United States and to which there is direct access by the Canadian reader or purchaser?

MR. ALLEN: I am not sure how big and important that would be and how much cost would be involved in taking a look at all of that.

DR. JEANNERET: About how many agencies do you represent, altogether?

MR. ALLEN: About five.

DR. JEANNERET: Roughly, very roughly, how many books in print would they have in their catalogues?

MR. ALLEN: 40,000 or 50,000.

DR. JEANNERET: How many titles would you stock or warehouse?

MR. ALLEN: 25,000.

DR. JEANNERET: So one book in two that might be wanted by libraries would have to be specially imported, would it, if they ordered from you?

MR. ALLEN: Well, that stems on whether you are talking about current books or books that could have been in the catalogue for five or six years.

DR. JEANNERET: If they were university libraries it would probably be about five books out of six, wouldn't it? They would tend to be in your rarely sold books that you would not stock that they would be ordering?

MR. ALLEN: I am not so sure of that. It is all based on the relationship to when it was published.

DR. JEANNERET: What do you think of the proposal that we have made that is under discussion, that university libraries and conceivably other libraries be asked to expose their orders for a short period of time and the exclusive agent has the right to offer to fill -- I won't use the word "claim" but offer to fill the order from stock on hand? Let us leave pre-publication orders out of the question for the moment. If he doesn't have it on hand then the import of it directly or through a jobber will not be a cause for alarm. Do you think this is a good suggestion or have you heard about this?

MR. ALLEN: I think that is a very fair point, a very fair point indeed. I don't think many libraries are going to hide it from anyone anyway, whether they are buying from the United States or where they are buying.

DR. JEANNERET: I am talking about exposing their orders as they order.

MR. ALLEN: I think it is a very good idea.

DR. JEANNERET: I have no further questions.

THE CHAIRMAN: Well, we encourage you to return to the fold of Canadian publishing. We appreciate very much your coming to talk to us. It has been very helpful.

MR. ALLEN: Thank you.

SUBMISSION OF D.C. HEATH CANADA LIMITED

THE CHAIRMAN: We have with us representatives of D.C. Heath Canada Limited, Mr. S. Starkman, President and Mr. R. Ross, Vice-President, Marketing.

Gentlemen, thank you for coming. Would you be kind enough to touch upon the high points in your brief which you would like to make and we will discuss it with you later?

MR. STARKMAN: Thank you, Mr. Chairman. Although there are many issues under study by this learned Commission which concern us, to our mind many have been presented adequately in other briefs, and so we prepared our brief with two major points in view: One, the benefits that we derive as a Canadian publishing company from our association with a multi-national publisher.

Two, one approach to the problem of making Canadian educational products competitive with educational products from any source. We are now ready to try and answer any questions you may have.

DR. JEANNERET: Just a few. I know your line very well and have for many years, many years ago. I tell you what you may or may not realize, and that is that Heath was saved from bankruptcy by Fraser and Squires

French Grammar which is a strictly Canadian product. You say that the strongest argument on page 1, against protectionism is that it would rob Canada of widespread mutual cooperation in the areas of education and publishing. I wonder if you would not agree that everything from the manufacturing provisions in the United States Copyright Legislation to the pitifully small volume of Canadian books exported annually to the United States contradicts really your suggestion that there has been a truly -- I think your words were "mutual cooperation" between Canada and its nearest neighbour for many years in book publishing at least? It has been a one-way kind of cooperation, hasn't it? I don't say this critically. I just was to get a picture of the situation.

MR. STARKMAN: To a degree it has been but at the same time, there are moves afoot in the United States to rectify the situation with groups such as the one you were president of, or still are, pressuring to have the Manufacturing Clause removed as it has been in Canada. Other moves of this sort, the funded research programs have been available through Canadian sources to take part in this.

DR. JEANNERET: The part of your brief which worries me, though, in this connection, was the suggestion that there is a kind of happy back and forth flow. It is pretty much a

one-way flow and has been with the "Printed in U.S.A." label everywhere around us but the Canadians are prohibited from so much as tendering of services, much less getting any business in the United States. It is a very unilateral situation we have been maintaining. That is why the Commission has been called into being, if you like. We are not judging it, putting it this way, but there is a suggestion of balance we are working toward.

At the end of page 2 it is pretty easy to draw the inference from the second paragraph, at the end of the second paragraph, that in your opinion there is no future for the small, unaffiliated Canadian-owned publisher in this country. You don't go that far, do you?

MR. STARKMAN: I don't mean to imply it but the task is going to become much more difficult because of the market as the market becomes more specialized.

DR. JEANNERET: Just for my information, and I realize you are very newly organized here, but how much original Canadian publishing have you done and about how much have you projected at this moment in terms of titles? I realize you are brand new.

MR. STARKMAN: We have three titles under contract now. We are negotiating on a number of other titles, a total of approximately 10 at this date.

DR. JEANNERET: Thanks. On page 6 you talk about, at the top of the page, Circular 14. I counted 17 titles on Schedules A, B and C on Circular 14. I am not sure whether your comments about Circular 14 indicate that your company favours or deplores the strong preference in Circular 14 for works authored and published in this country. What I am really asking you is, would you like to see Circular 14 opened up more than it is as far as Canadian authorship and manufacturing conditions are concerned?

MR. STARKMAN: It is a difficult question. I am not sure if we consider opening up as much as more persistence.

DR. JEANNERET: Explain what you mean by that?

MR. STARKMAN: In terms of the way decisions are made as to what will go on the Circular and the starred listings I have referred to, either there should be items starred or there should not be. Except, I can understand in areas where the markets are so small, that it would be impossible to promote indigenous Canadian programs.

DR. JEANNERET: Starred, you mean they are going to be removed?

MR. STARKMAN: At some time.

MR. ROSS: Often times too, those particular titles that are starred for a

1 particular length of time, end up remaining on
2 the Circular longer than the so-stated time.
3 DR. JEANNERET: But you are
4 making no comments on the pros and cons of keeping
5 Canadian preference there?
6 MR. STARKMAN: No, we are not.
7 What we try to do in that statement is present
8 a balance against this argument that foreign-owned
9 companies have not been producing Canadian materials
10 and just by a manual count of series of books,
11 this was the result.
12 DR. JEANNERET: You made no
13 presentations or representations to the Department
14 on this question of Canadian emphasis, for instance?
15 MR. STARKMAN: No.
16 DR. JEANNERET: Because if you
17 have, it would be of interest to us.
18 On page 6 at the bottom it is a
19 hypothetical question, but I think your views
20 would be valuable. You say:
21 "It is our contention
22 that good Canadian publishing is
23 being done regardless of
24 the ownership of the company
25 that is doing the publishing."
26 I think that is a good point. My question is:
27 Whether or not, in the event of the last (and
28 I emphasize "last") Canadian-owned publishers
29 of any significant size, should pass into
30 foreign ownership, what publishers would then be

pressing for a continuation of the Canadian preference rule I was just talking about in Circular 14? Wouldn't the pressure for change in the ground rules be almost irresistible if all the educational publishers were operating as foreign subsidiaries, if for no other reason than that their parent company, if they are sound business men at all, and they are, would see much greater advantage in serving a continental market, or world-wide market, or international market than publishing for a regional market, having regard to the economics of publishing? Do you see any solution to that dilemma?

MR. STARKMAN: I don't think this necessarily follows. People, multi-national companies are interested in indigenous publishing in the areas they are going into to better service the markets, if nothing else. In a sense, to derive more profits or higher profits, it is more profitable to cater to customers' needs than to try and talk the customer into something he really does not want or can't use. I think it is just a basic business philosophy.

DR. JEANNERET: If we were left nothing but the publishing industry made up of subsidiaries firms, disregarding some very, very small firms because small ones may go on to big ones, but many small ones, long, if the indigenous Canadian publisher disappeared from the scene, do you believe that there would be

books published such as "Close the 49th Parallel" or from Watkins To Gordon To You, I don't agree with all these books. Perhaps studies of such issues as to why this Commission was brought into being? Who is going to publish these?

MR. STARKMAN: We will if no one else will.

DR. JEANNERET: I can't imagine you publishing "Close the 49th Parallel".

MR. STARKMAN: We have published books you can't imagine an American-owned subsidiary looking at. I refer to a book by Steven Scheinberg which knocks the whole concept of the American branch part economy.

DR. JEANNERET: That is a good example.

MR. STARKMAN: I think too much of the economic principles that we have been dealing with in this whole issue derive around the ownership factor. I think it has been shown by such modern economic theorists as another Canadian, Harry Johnson, that it is not the ownership itself that matters as much as the product.

THE CHAIRMAN: Well, that all depends on what you think of Harry Johnson's opinions (laughter).

MR. STARKMAN: Or Gordon Watkins.

THE CHAIRMAN: We live in a very flexible kind of society where we in Canada

have been the subject matter of all kinds of opinions around the world and the weight of the opinion usually depends upon the distance from which the man comes in order to give us an opinion. Dr. Johnson has been kind in this regard by coming from various distances, Canadian though he may be, and I welcome him as an individual. In any event, it is his opinion. There are many approaches to this.

MR. STARKMAN: All I am saying is this is another opinion that has not been presented adequately enough in this whole issue, at least in the press.

THE CHAIRMAN: You can only depend upon the press with their limited facilities to do so much and they do a very fine job and write what they can about what is within their grasp.

DR. JEANNERET: You are saying there at the end in your recommendations -- there are two recommendations I picked out:

> "Curriculum research groups should be funded at Ontario universities as is done in other countries to prepare specific programs aimed at specific audiences."

And you say:

> "The Ontario Department of Education should take more of a lead in developing new curriculum

programs which serve as the basis for texts."

Could we have your uninhibited observations on the research programs that surround us in this building, in other words, the Ontario Institute for Studies and Education, your experience to date? You are fairly new in this business here, but so is the Institute. Are you hoping for a more relevancy from your standpoint and what sort of communications have you been able to enjoy and so on? Would you comment on the Institute?

MR. STARKMAN: We certainly hope for more relevancy. We have had very little contact with the Ontario Institute to date, but ---

DR. JEANNERET: Nobody has kept you out or anything ?

MR. STARKMAN: No, but we have had other things to do. I think that the type of programs that the Ontario Institute are following is very relevant to education, but this is only one view. What I am thinking of is that they should be more flexibility. We should not only have necessarily one science curriculum but what is the matter with funding several groups which will look at, let us say, elementary science from various points of view and come up with pertinent subject matter that could be the basis of textbooks?

MR. ROSS: If I might just add one comment to my colleague's, it has been my experience that -- I just throw this in -- that there seems to have been perhaps not the greatest of communications in the curriculum sections of the Department of Education in OISE up to this point or perhaps I would have guessed they would have moved a little quicker in joining forces in working on certain things. That is just a personal observation from having talked to people at the Department of Education and also having talked with some people here at OISE. However, I read the OISE brief and it could move now perhaps a little faster in that direction than they have to date.

DR. JEANNERET: It might be helpful, Mr. Ross, if you and Mr. Starkman would just say very briefly what your own background in publishing has been. I think it would help us to understand your opening up here.

Well, I started in 1961 at Holt, Rinehart and Winston and rose fairly rapidly through the ranks to college manager and when D.C. Heath decided to come into Canada on its own right I was one of the people that they contacted to try and set up the Canadian Heath organization. That was in 1968. Mr. Ross joined me at the same time from Holt and here we are today.

MR. ROSS: I began in the business, I think, in 1962 or 1963, although it seems like about 100 years ago these days with Holt, Rinehart and Winston in the college department of their Canadian company. I was a representative located in Montreal at the time. My initial training was really with the American part of Holt, Rinehart. I was trained as a college traveller, if you will, by the American college department but then worked for the Canadian company.

Then, after a couple of years I was switched from the college department into the el-hi department and became the sales manager of the el-hi department up until the time I joined Mr. Starkman.

DR. JEANNERET: I don't say this in a smug way at all but I had 15 years selling Heath books and promoting Heath books in Canada and I outrank you in your own books but that goes away way back.

MR. STARKMAN: You may be partially responsible for us being here.

DR.JEANNERET: You know, that is important because in those days you could sell 500,000 copies of basic French or something like that.

MR. STARKMAN: Those days are gone.

THE CHAIRMAN: I wanted to start on page 1.

MR. STARKMAN: That is a good place to start.

THE CHAIRMAN: And I wanted to, I suppose, make comments as much as anything else on the opening two sentences because you have painted a very precise picture which appears to be neither black nor white. You say:

" The controversy that faces us now is whether Canada should have a publishing policy founded upon isolationist opinion -- with no foreign entanglements -- or upon global involvement."

Do you think this is it, whether we should be isolationists or not?

MR. STARKMAN: The issue has been referred to.

THE CHAIRMAN: This is your impression of the issue?

MR. STARKMAN: Yes.

THE CHAIRMAN: I wondered if you had reflected on the possibility that the issue is whether or not a Canadian-owned publishing industry

should or should not survive in the public interest. Does this seem to be an issue?

MR. STARKMAN: Well, we reflected on that but at the same time we tend to agree somewhat with Mr. Johnson that the ownership is not as important as the product.

THE CHAIRMAN: Well, if you were not good multi-national corporate citizens I would have expected a different answer from you but I think your brief is an excellently prepared brief and I think your answer is along that line and, in fact, I would have been disappointed because of the nature of your appointment of your position if you did not speak in that way. It is awfully hard to take two sides in an issue of this kind. I must say I cannot agree with the statement. This is a matter of isolationist opinion, I think, that the issue confronting us in this country is whether or not it is in the public interest that there be a publishing industry which is controlled in part, at least, in Canada.

The question as to whether or not it might be wholly might then take you into another avenue of consideration. You say:

"The central argument that has now reached almost a level of hysteria is that Canadian publishing ought to be free from foreign influence."

Do you think it ever could be no matter what was

legislated or otherwise?

MR. STARKMAN: No, this was one of the points I think we made later on in the brief.

THE CHAIRMAN: I am interested too on page 4 because that backs up some of the things that have been told to us and you have explained here that you are really as a result of the Heath and Raytheon, because of their actually being the parents you have a powerful capital base and your new company, because of its association stamps you immediately with the imprimatur of success. What you are saying, I suppose, is that with this sort of back-stopping you are off to a pretty good start, the moment you open the door, is that it?

MR. STARKMAN: There is also an aura that surrounds someone and if you are associated with what has been a successful enterprise, by implication right or wrong, the implication is that you yourself are successful, as I said, right or wrong.

THE CHAIRMAN: It is enormously useful if you are going to start a venture of this kind to have this backing, reputationwise and financially, is that right?

MR. STARKMAN: Yes.

MR. ROSS: But by the same token I hope we have not conveyed to the Commission here that our parent company has been standing on the border with buckets of money ready to help us out

on anything we think we ought to try, because I think perhaps you got this impression from what we said.

THE CHAIRMAN: I have not asked you anything about that yet. I didn't know that Raytheon carried its money in buckets but I daresay it would take a good deal more than a few buckets. However, these things are of interest to us for the reason that it gives either an initiative or some assistance in two firms that want to come into the Canadian market. We are talking Harry Johnson stuff. How do you open a shop? What are the economics? What is the background? We do have in this country a bunch of conservative bankers who love nothing more than security and it is very helpful when you go into a business to have that kind of background.

You know, this bears on the end result very heavily upon, I suppose, whether Canadian-owned organizations really will ever get airborne because they don't have, by and large, these buckets and yet, how are they going to survive?

I was interested, for a reason which you will see clearly when I ask the question, you say:

" Through its affiliation with Heath and Raytheon, D.C. Heath Canada Ltd. receives such administrative services as legal advice."

Do you get any legal advice from the United States?

MR. STARKMAN: On some matters.

THE CHAIRMAN: Do you really?

MR. STARKMAN: Yes.

THE CHAIRMAN: I don't want to find out what they are. Go ahead.

MR. STARKMAN: On some matters or through our legal department they would line us up with Canadian lawyers who have handled Raytheon in the past and the advice comes through those channels.

THE CHAIRMAN: That is just a matter of interest, not that I am practising law very much any more. And you also mention there the various assistances that are built in through your association with the insurance and benefits planning and financial and auditing assistance at lower cost. In other words, your association with the parent also provides you with cost saving benefits that would otherwise have to be borne by your organization if it were independent?

MR. STARKMAN: Yes, these areas have not been mentioned to my knowledge in any previous briefs but there are other things besides the normal publishing benefits that can be obtained through the corporation.

THE CHAIRMAN: That is very interesting and I am sure that is helpful to you.

On page 5 you are saying:

" The growth of international publishing is really not a new

" phenomenon but merely a variation in the conduct of international trade.'

Do you really think Canadians are in the position of saying that in the publishing industry or any other industry , we do not want or should not have foreign investment in Canada?

MR. STARKMAN: I don't think Canadians as a whole, generally, but these opinions have been expressed.

THE CHAIRMAN: We are back to the Harry Johnson and Mel Watkins area again, who expressed their own particular opinions and are riding their own horses. I don't know how many of the horses have got legs but they are riding their own horses. The word "isolationist" I do not recognize very well.

MR. STARKMAN: Well, nationalists have a much more in-born pride.

THE CHAIRMAN: Do you think we shouldn't be nationalists within this country?

MR. STARKMAN: It depends how you identify with it.

THE CHAIRMAN: Let me give you an example. The greatest nationalist nation in the world, the United States, is there something wrong with nationalism that the United States people have had ever since 1776?

MR. STARKMAN: No, I am referring to the way the word has been used in the past which has

been more in terms of what I think of as isolationalist as opposed to the pride that is inherent in the word "nationalist".

THE CHAIRMAN: Should we not be using, therefore, in your own determination -- forget about the press, forget about Harry Johnson what has Mr. Starkman got to say as to what he feels about nationalism in Canada? Do you feel it is something we should be interested in?

MR. STARKMAN: Yes, I do. Yes, I am a Canadian.

THE CHAIRMAN: On page 6 you talk briefly about Circular 14, indicating 65 per cent of the series were published by foreign-owned companies. You say that for the analysis the publications of Gage and Ryerson were assumed to be published when those companies were Canadian-owned. I imagine the figure would now be perhaps 80 or 85 per cent, is that right?

MR. STARKMAN: Yes.

THE CHAIRMAN: That are published by foreign-owned operations?

MR.STARKMAN: Of the 35 per cent Gage must have published most of them.

THE CHAIRMAN: So, from your viewpoint if another nationality and a multi-national corporation kind of thing, certainly in regard to textbook publishing industry in Canada, has almost been achieved.

MR. STARKMAN: Again you are getting

bogged down in --

THE CHAIRMAN: I am not getting bogged down.

MR. STARKMAN: I know there are many more Canadian books to be published and the intention of our brief is to show a way to make those books competitive in the international marketplace.

THE CHAIRMAN: I was looking for some suggestions from you in that regard and by the time I got to the bottom of page 7 I really wondered whether in your opinion any Canadians as a group were capable of producing anything because your last bit on page 7 and the beginning of page 8 indicated to me that it was your opinion that there was no competence in the hands of Canadians that would allow them to write texts which could compete.

MR. STARKMAN: I did not mean to imply that at all in any way.

THE CHAIRMAN: Even if it did, this was Circular 14:

" The intent is that Canadian authors would rush into the field and write parallel texts for Canadian use."

You say, "

" Even ignoring copyright infringement, there is no guarantee that this would result. Even if it did, how wasteful of time and capital;

" how insulting to Canadian authors, teachers and students; how deluding of the Department both to Ontario educators and to itself to think that this type of publication would be a contribution to Canadian education and would be evidence of how the Department has stimulated Canadian publishing. Most of these pseudo-Canadian publications, especially in mathematics and science, would be out of date the day before publication."

Now, here is the crux:

" Currently the Canadian author does not usually have access to the wealth of international research, planning and development that exists in foreign federally funded programs such as Nuffield or PSSC. The only programs he has to compare his own thoughts with are the available competing books which are rapidly becoming obsolete. Consequently, even though the Canadian text may be better written than the competing foreign books, it is out of date as far as the subject matter is concerned. We feel that any Canadian text must stand on its own merit alone. Until it can, perhaps areas such as mathematics and science should enjoy special status."

Now, you may have -- I get the impression from this that you say we have not got the competence and the background to write texts. If my conclusion of what you say is wrong, please clarify the record.

MR. STARKMAN: I believe your conclusion is wrong. What I am saying is that these are areas that need much research. You just cannot turn around and write a book in mathematics and science overnight that can hope to compete with the thousands or millions of dollars that have been invested in these huge international programs.

THE CHAIRMAN: You say we should in Canada not even be attempting to write these books in Canada because somebody has got a bigger buck somewhere else?

MR. STARKMAN: Not at all. What I am saying is money should be invested in competing programs to develop these programs in Canadian research and development.

THE CHAIRMAN: That is what you are saying?

MR. STARKMAN: Yes.

DR. JEANNERET: May I ask a question and it is a question that has never been asked before. It is a significant fact, isn't it, that, to my knowledge, the United States educational publishers -- I am talking about el-hi -- to my knowledge have virtually never turned to

Canada for authorship. Let us stop at Fraser and Squires. I mentioned that earlier, but they simply don't do this, do they?

MR. STARKMAN: No. There are some, but they are very isolated.

DR. JEANNERET: Can you name one?

MR. STARKMAN: There is a Russian program we publish out of New Brunswick that is published by the American company, that is Copp Clark again. Doherty and Martins.

MR. ROSS: As you well know there is a book by Copp Clark ---

DR. JEANNERET: I am talking about an original American publishing program in the el-hi area, they virtually never would turn to Canada to pick up an author, notwithstanding the great competence you really are saying here, just we lack the access to the research, but they have not done this.

MR. ROSS: I have noticed in my experience with Heath and latterly with Holt, Rinehart and Winston, that both parent companies' editorial staff express considerable interest in adding Canadian author or authors to big programs that they have in mind. At C.D. Heath we have an elementary science -- or an American group has an amateur science plan and they have been asking me to try and locate a Canadian author, or Canadian authors who might be willing to work with their American authors on

this program.

THE CHAIRMAN: In relation to the titles you told us you were working on is the decision to publish one which you will make here without any strings attached?

MR. STARKMAN: Generally speaking, yes.

THE CHAIRMAN: Beyond the general realm?

MR. STARKMAN: Like everything, it has to be fitted into our budget so we have budgeted in advance for these things. The decision what to publish is approved by us.

THE CHAIRMAN: But your budget is approved by the parent corporation?

MR. STARKMAN: That is right.

DR. JEANNERET: In relation to sales projections you have made?

MR. STARKMAN: That is right. Sales projections and long-term projections not only in sales but in terms of developing our own product.

DR. JEANNERET: Is there a qualitative value judgment made in your parent company regarding the manuscript you are going to publish?

MR. STARKMAN: Only if we ask for it we will get it. Otherwise the decision is completely our own and the format is our own.

THE CHAIRMAN: In relation to these

titles you are working on, is there any arrangement made with the parent corporation for distribution or publication in the United States on a bilateral basis?

MR. STARKMAN: These titles are keyed to a particularly Canadian course but are applicable, yes, we do plan to have United States and in other arms of D.C. Heath marketing elsewhere.

MR. ROSS: As an example of that perhaps we are very close on sending a couple of French readers. These French readers are going to our parent company and we hope an arrangement of this kind can be worked out. I would hope that it would be.

THE CHAIRMAN: Gentlemen, we appreciate your coming. It has been a very interesting discussion and we appreciate the attitude you have brought and found it to be exceedingly interesting.

Thank you.

DR. JEANNERET: I would like to add that sometimes our questions, or my questions sound accusatory. They are not meant to be, but we are interested in finding out the way American firms such as yours fit into the picture.

THE CHAIRMAN: You can be sure by the time we finish we will produce our own opinion which may well not match Watkins' or Johnson's or others, but in any event, we will produce something.

MR. ROSS: Thank you.

MR. STARKMAN: Thank you.

SUBMISSION OF GLC EDUCATIONAL MATERIALS AND SERVICES LIMITED

THE CHAIRMAN: Now we have with us Mr. William B. Hanna, President of GLC Educational Materials and Services Limited.

Mr. Hanna, we welcome you and we have looked at your brief. Will you be kind enough to touch on the high points and we can have a discussion also?

MR. HANNA: Thank you very much. Gentlemen, we appreciate the opportunity to appear before the Royal Commission on Book Publishing. I think I would like to touch just briefly on the main recommendation of our brief to the Royal Commission. The gist of this recommendation is that if Canadian publishers are to be able to continue publishing in the ever-growing courses and course offerings for high schools, community colleges and university markets, They have to solve the problem that while the number of course expand the numbers of copies that can be sold to each one of these courses actually diminishes. In our brief we have

pointed out that one solution to this would be to expand the base of the markets to export to the rest of the English-speaking world. Adjusted U.S. government figures show that American book publishers export $309 million worth of books approximately out of a total book sale of 2.665 billion or 11-1/2 per cent of that total. The recent Ernst and Ernst report for Canadian book publishers puts Canadian book exports at something like 5.5 million dollars out of a domestic-authored and manufactured total of 54.8 million dollars or a percentage of approximately 10 per cent.

It should also be noted that the Canadian statistics include books of two languages and therefore the total amount of books exported by English language Canadian publishers is probably somewhat lower.

While the export percentages would not appear to be too different, great differences do appear when population statistics are viewed. Assuming that there are approximately half a billion people in the world speaking English 2/3 of that group reside in the United States and form the American publishers domestic market, while in the case of Canada approximately 5 per cent of those speaking the English language, reside in Canada. Therefore the size of the export market in terms of population open to Canadians is much larger than that available to

the American publisher and it is for these reasons that we see the potential development of a sizable increase in Canadian authored and produced books to be much greater than present explanations would indicate.

Our recommendation, therefore, is that export sales could be materially increased by the creating of a Canadian distribution agency in both the US and Great Britain to market Canadian books to these two large markets. Such an operation would go far to establish Canadian book sales in both these countries for the Canadian publisher would have a direct channel through which ihs books could be marketed on a continuous basis through firms which could establish outlets in the countries they were located in -- correction -- establish roots in the country they were established in and in the same way that the number of foreign publishers have done so in this country. The manner in which these firms would be set up would of course be dependent on a cooperative arrangement reached by those firms willing to participate in such a joint enterprise. It would be impossible at this stage to expand much more on how such a firm could be set up but three requirements would be necessary:

1. Recognizing that the size of the list would have to be large enough to ensure a distribution company's

future, the number of firms participating would have to have lists which put together could give such a venture enough books to market to keep itself afloat.

2. An experienced publisher well versed in marketing would have to be employed for the sound development of the company would be really in his hands. He should be a national of the country he is operating in with much experience in his own country's publishing industry, and should have his widest range of autonomy in order to enable him to carry out his function.

3. The corporation would have to have sufficient source of capital in order to allow for set-up costs and to cover operating expenses until it became fully sufficient.

Having said this, we would now be ready to answer any questions you are willing to put to us.

Thank you.

THE CHAIRMAN: Thank you.

DR. JEANNERET: Just a couple, Mr. Hanna. Your expansion there of your final suggestion pretty well answered my concern in my first intended questions which had to do with your own plan, the plans of CLC in Canada to go after an export market themselves on behalf of Canadian materials. Your intentions are honourable, I take it?

MR. HANNA: They are, sir.

DR. JEANNERET: That is all we need to say. Would you tell us a little bit about the proportion of your sales that are books in relation to the proportion that might be other educational materials? You are in lots more than books and we want to get very clear on this. Maybe the picture is totally different in Canada thus far from your parent company, so let us talk about your parent company a bit.

MR. HANNA: In terms of our parent company or the General Learning Corporation ---

DR. JEANNERET: If there is anything confidential, you are free to file it.

MR. HANNA: Yes, I would file more specific figures with you. I can tell you, though, that the bulk of the corporation's sales in the United States are through its Silver Burdett division, specializing in textbooks and other instructional materials similar to other book publishing houses engaged in elementary and high school markets.

DR. JEANNERET: Define "other instruction materials", will you?

MR. HANNA: Films, records, science kits and other materials such as picture packets for elementary school children.

DR. JEANNERET: What is the

dollar difference between the groups?

MR. HANNA: I will answer that in confidence, if I may.

DR. JEANNERET: I think it is important that we know that so we can give some thought to that and give us some precise information. What about Canada, is your Canadian experience that your mix is about the same?

MR. HANNA: Our mix in Canada at the present time is more oriented toward books than non-book materials. In respect to Silver Burdett material sales --

DR. JEANNERET: Does this worry your parent company?

MR. HANNA: Not at the present time and, in fact their position is that the material we sell is really our business. Our future really is a financial one.

DR. JEANNERET: I would like to pursue that relation of education of media, non-print media to print media but maybe we will have to do that at some other time because we don't have a starting point. One more question: Your parent company -- they are really companies -- there is Silver-Burdett, there is the Time-Life and GLC side of it.

MR. HANNA: I gather you are referring to the General Learning Corporation?

DR. JEANNERET: Yes.

MR. HANNA: In this case the General Learning Corporation is owned jointly by General Electric and Time Inc. They occupy the position of shareholders rather than participants.

DR. JEANNERET: But GLC has how many books in print, give or take?

MR. HANNA: Give or take, around 3,000 at the present time.

DR. JEANNERET: And Silver-Burdett separately?

MR. HANNA: Nearly all of those are in the Silver-Burdett side. There are three other divisions of General Learning -- the Educational Service Division, Careers Program Division and the media division that doesn't produce books to any great extent.

DR. JEANNERET: But you are here to both produce books and to produce non-print media and to sell both of them on behalf of your parent?

MR. HANNA: Yes, this is correct, and to produce our own books.

DR. JEANNERET: One question: On page 3 your discussion:

"The economic, cultural, social or other consequences for the people of Ontario and of Canada of the substantial ownership or control of publishing firms by foreign ..."

I am not sure whether you are saying that Canadian-owned textbook publishers operate under such a disability but there is simply no future for them at all. Now, that is not borne out by your recommendation for a consortium for export emphasis and so on but if it weren't for your reference to the desirability of Canadian publishers developing export I would read into your brief the statement similar to the one we attempted to find in the previous brief that there is no hope for an indigenous Canadian publisher, it is not viable. This is not your intention, it is your intention?

MR. HANNA: It is certainly not my intention to say that a Canadian-owned publishing house is unviable.

DR. JEANNERET: Well, I am perhaps reading more into it than you had intended to put into it. I don't think I have any other questions. It is an interesting area and we would be glad to have a little more information if you will give it

to us, both of the mix of your parent company and of your Canadian company, in print or non-print media and perhaps you would be good enough to indicate something about the size of this operation too, in terms of sales?

MR. HANNA: I would be glad to.

THE CHAIRMAN: In terms of the size of your operation you started at the beginning of this year?

MR. HANNA: We started our film operation at the beginning of this year, although we were in corporated in the middle of summer last year.

THE CHAIRMAN: Are you in a position to tell us why it is that your parent corporation decided to commence business in Canada?

MR. HANNA: I can tell you that for about 45 years as far as anybody can determine Silver-Burdett was represented in Canada by W.J. Gage Limited. Some three years ago the initiative was taken by W.J. Gage to the effect that we should make other arrangements.

THE CHAIRMAN: So this is the culmination of the "other arrangements"?

MR. HANNA: Yes, sir.

THE CHAIRMAN: My colleague has said something about a question I didn't ask before and I have not discussed it with him but I am going to ask you a question which relates to something that has been asked before. It relates to a

statement I am going to have to make really. I find that in the work of this Commission in these public hearings that we are very seriously and becoming more and more worried about it as we go, we are seriously limited in our ability to comprehend the problems facing us as a Commission by the fact that we have not yet seen or heard from any of the officers of any of the parent corporations which reside in the United States. I am merely making this observation but I am going to come to the question and that is we have had before us Canadian officers of corporations in which they have no interest except they are officers; in other words, they are not shareholders, they may be on the Board in a nominal sense but their financial and other interests in the end result dwell elsewhere, in other words, we are not being given the benefit of discussion with people who in the end result call the shot.

Now, this is becoming more apparent as we move along. I don't know whether it is a matter of smokescreen or whatever but we have a whole series of foreign corporations doing business in Canada and I think it is time that we indicated that we would like to see some of the bodies eyeball to eyeball who, in fact, control these situations.

Now, having said that, do you think that we might prevail -- and I don't know whether you can answer this -- upon the executive officers

of your parent corporation to come and pay us a visit in Canada, or do you think that this might be too much?

MR. HANNA: I really couldn't answer that affirmatively or negatively because I have never discussed the possibility with them. However, I certainly would be prepared to ask. If I might make this observation, I don't know whether the Royal Commission can do this or not but would it be possible for you to hold meetings in the United States in the sense of private meetings?

THE CHAIRMAN: I can assure you, Mr. Hanna, we are not so inclined. As I say, I have not discussed this with my colleagues and I don't know what our intentions would be as a Commission, but I do on a personal basis as a member say I am becoming very much concerned about this and I think it is also a reflection on the lack of initiative on the part of American officers of parent corporations that they are not in any way interested in what is going on, or at least they don't appear to be. In any event this is something we can take up.

I daresay then that you would not be able to answer the question of how your parent corporation would feel in the event that there might be some motion in the public interest to require-- and I am just asking the question -- to require that 51 per cent of your corporation might be in Canadian hands. You would not be able to

react to that, would you?

MR. HANNA: Not entirely. From a practical point of view, if we were to offer shares at this moment, 51 per cent, our experience in the length of time we have been in the Canadian marketplace would probably make it a rather financially disastrous deal to our parent corporation at the present time.

THE CHAIRMAN: I see. Your parent corporation is a partnership between Time and General Electric?

MR. HANNA: It is jointly owned by Time and General Electric. Each holds 50 per cent of the shares of the corporation.

THE CHAIRMAN: But in any event the question that I would put to you -- I was just asking for an opinion -- you would not be in the position to give an answer to that question?

MR.HANNA: Not at the present time simply because I would have to ask them.

THE CHAIRMAN: Perhaps we might have the benefit of asking them too. This is really my point.

MR. HANNA: But I would think that they would probably be willing -- this is my own presumption.

THE CHAIRMAN: We have no further questions. Thank you, Mr. Hanna, we appreciate it very much. You might send up a smoke signal that might be seen across the border.

MR. HANNA: Thank you.

SUBMISSION OF POSEIDON PRESS

THE CHAIRMAN: We have a slight change in our scheduling. We have with us now Mr. Alfred Rushton of Poseidon Press. Well, could you talk to us about the main points you would like to make?

MR. RUSHTON: I will submit the main points. No. 1 of the brief deals with the equalization of grants based upon immediate need and the number of grants received previously. Too much is given to the select few while many have to wait for the smallest grants payable. Perhaps writers receiving large grants could contribute to a special writers' fund while revision of the grant giving procedure is undertaken.

2. Reduction of the University control of prose and poetry writing and more outside interest created. There are too many workshops and writers connected with the universities with the effect of making writing already a preconceived course for the universities. Simon Fraser University and Queen's University are but two examples. If you are going to encourage fresh writing free from academic comparison then you go outside; who are books written for? A small elite who read each other's work or that larger number of readers who exist outside the present literati circles? The man who reads a Mickey Spillane mystery might be interested in a book of prose packaged in an attractive cover and placed in smaller

outlets outside bookstores, i.e. drugstores. This involves discussinn with the News Distributing services.

3. Bring publishing into the schools but leave literary bias behind by allowing students an opportunity of seeing just how books are published and printed; if the students are interested they could print small paperbacks and the best of these paperbacks could be released by a larger publisher.

Of course you have to avoid a program like the university's where structure both literary and social is sometimes more important than content. All students should be given an opportunity to contribute if they wish; they should also be given a chance to help in the compilation of school books which are attractively designed and free of the traditional textbook appearance; after all school books are to read by the students. Shouldn't they be allowed to see and participate more in their education? It is quite possible the program might alleviate some of the traditional student prejudice against books which is carried over into later adult life.

4. A joint publisher's monthly could be published; the magazines would announce forthcoming books, placed by publishers at a reasonable ad rate, and also review books. This would take up the slack at present being provided by our major newspapers and also would provide a counterpart to the larger American Publishers' Weekly. Copies

of the Monthly could be provided at a nominal subscription cost which would help defray the publishing expenses.

5. A special Publishers' Literary Supplement contributed to by the writers of all publishing houses, i.e., those writers who are waiting to be published in book form. Excerpts of their works with brief notes on their backgrounds could also be included. Each issue would also contain a special section devoted to writers who have yet to be published in book form. This special section of the supplement would allow publishers to see just who is at present writing and what talent is dicernible. The smaller literary magazines, already overloaded with contributions, could continue to publish. Various novels being prepared for publication could also be serialized in the supplement.

The supplement would be sent to all schools, universities and placed in bookstores as well as on the newsstands. Of course the title chosen is most important perhaps Readers' Guide.

6. A uniform price for all paperback books published with the aim of lowering the price in order to attract a wider reading audience. Most newsstand paperbacks sell at $1.25 per copy. Most people who read outside the universities are used to paying such a price but naturally are hesitant at paying the present Canadian paperback price of $2.50 per copy. Why should publishers

have to wait before they lower their book prices at special discount sales? If the books are sold at a lower price and more widely distributed then you don't have to worry about discount sales. It is time the book ceased to become a museum piece and became more widely accepted through better distribution at lower costs in this country. It is also time publishers and professors stopped thinking of Canadian writers as ready mixed ingredients for instant posterity to be studied immediately.

No. 7, more incentive is provided for the independent book producer who, because of overstocked larger publishing houses might have to wait a long period of time for publication of a book. The smaller book publishers would publish their book and then agree to publish at least two other books written by unknown writers under a special contract. This would allow the larger publisher a chance to put out writers through a smaller house. At present there is a certain snobbish attitude fostered by many writers and publishers who feel the only legitimate literary currency is found in the large publishing houses. If a publisher publishes his book simply because a book publisher can't afford to over stock. Those are the main points which I have abbreviated somewhat.

THE CHAIRMAN: You mentioned you are here in two capacities: I wonder if you could tell us more about each of those capacities?

MR. RUSHTON: As I said in the brief, I published a book on my own because a small publisher, the House of Anansi Press, informed me they liked the book but they couldn't afford to publish the book because of a pile of other manuscripts, so I decided to take the initiative and decided to go ahead on my own and I did exactly that. I went to Ottawa,

Montreal and Toronto. As you might know, a lot of writers are forced to actually wait, as I mentioned earlier on, because the publishers do have a lot of manuscripts which they can't afford to publish, or they haven't the time to work on them, but I think, as I said in the brief, in the future you will find that people have more leisure time when they get a higher wage, there will be more people willing to read and more people who will be published than need to be published. I think in the future, because of the size of the trade, you are going to have to contend with a lot of people who will be mediocre. I think it is also similar to the present trend in film making. You find that today a lot of independent film makers are making films on their own outside of the large studios and I think this is also a trend in publishing, especially in this country because I don't think Canada has any 19th Century literature yet and you can't expect -- it is always a jump ahead to the 20th Century literature when we haven't even established a background, more or less.

DR. JEANNERET: I see a number of administrative problems in there that you suggest. I don't think that this is the time to try to work out the mechanism, but one thing caught my eye in your brief more than anything else. On the second page -- your brief

has no numbers on its pages -- down toward the bottom of the second page you make a statement that the working capital for one book should not exceed $1000 for a run of 2 to 5000 copies. I know nobody can say how long a book is, but how long is the book you have got in mind which you can run up to 5000 copies for $1000?

MR. RUSHTON: The book I did cost $400. I produced a paperback book. I didn't produce a hardcover book. It was 100 pages, actually. The thing is, it would have been less but the thing is there was some overtime work involved and I had to pay more. It is possible to produce a book for that price. 1000 copies, but I could have possibly gone into 5000 for slight increases. You know every copy over 1000 is printed at a very nominal rate, so it probably would have cost me another $100 possibly.

DR. JEANNERET: If this base could be used for costing the book industry, Mr. Rushton, I submit this Commission could happily disband because there is no problem for the industry. I submit you are five times out on this as an average for normal book-production costs.

MR. RUSHTON: What I am trying to say is that you can produce books at a very reasonable rate if you don't go into these, shall we say, hardcover editions right away.

The thing is, what I am talking about is the independent writer who is trying to publish always. Now, this can be done for a good price. I have the figures and could show you the invoices. I have the invoices. Invoices will verify what I have said. The thing is, if I had wanted to go into a hardcover edition but linotype set-up, it would have cost me about $1000 but the thing is, I produced this book on a one-man basis. I did layout work. I used cheap newsprint paper. It was not the standard paper you find in books.

DR. JEANNERET: You charged your layout time in?

MR. RUSHTON: I charged that. I am talking about independent producers.

DR. JEANNERET: The typesetting?

MR. RUSHTON: That was done in a very, very old-fashioned way indeed. It was done through a typist, actually. In other words, the book was typewritten and it was photographed by the printer and negatives were made and from the negatives plates were made and from the plates the book was produced.

DR. JEANNERET: If you can get free production time and typewrite the book, I would be almost inclined to agree that for a book of 100 pages, which is not an average length at all, that your figures are not too far out, but I submit that this is not a good base

for generalizing as far as production costs are concerned.

Tell me -- it was rather interesting, your thoughts about textbooks are meant for students and therefore students should write them. I don't know what level of textbook you are thinking about but textbooks or secondary school, or maybe elementary school. What is the age of discretion?

MR. RUSHTON: I don't think the students obviously would sit down and write the textbook. I think they could have a share in the textbook more or less and can participate in the writing of a textbook. They actually should know more about printing, know how it is assembled. I think this would be useful obviously. I don't think they should sit down and write a book in geography without having the background. As you know, most books are looked upon as museum pieces because people go to school are told to learn by rote more or less and once you get away from the system you find out there is more interest created in books.

DR. JEANNERET: Would you comment just a little about the reservations to the Canadian Books in Review project that you have heard? I am not suggesting -- I am asking a question. What have you been hearing?

MR. RUSHTON: Actually, something

I read in the paper. I can't remember the thing verbatim but I read apparently there has been some publishers' opposition. I don't know how true that story is. Obviously some stories are printed without a lot of background. I can't give you the exact day I read the article.

DR. JEANNERET: You don't have any specific reservations in mind as to the plan as announced? You have no specific reservations to announce yourself?

MR. RUSHTON: The literary supplement? I only know what I read about Mr. Clery's proposed project, and I think it is a worthwhile project. Apparently he does not have much money to work with at the moment but ---

DR. JEANNERET: That is a good reservation, I think.

MR. RUSHTON: I would like to make a reservation, if I could get out of the scene I am in in Toronto because it is not easy for a person to publish and sell his own book and then not get a grant of some kind to help him along. This is another reason I also ---

THE CHAIRMAN: You are in the trap I got caught in once and I see that you made an application for a Canada Council grant after you published your own book and they told you, because you had already published that you were not eligible for a grant. That is a patent I hold on a particular thing, and I had

already developed it and it was published and there was no way. That is interesting.

DR. JEANNERET: I can't think of any more questions.

THE CHAIRMAN: This kind of thing you are involved in, have you now reached the so-called guaranteed annual wage? How do you keep going and do your publishing and manage to survive?

MR. RUSHTON: This is an interesting question because I am in an unique situation. I am bankrupt before I have got a bank account, more or less. I intended to publish an anthology of poems by young poets and I applied to the Ontario Arts Council for $500, which I though was a reasonable sum and I was informed they could not afford to give me the money at present so I arranged another interview for some time next month, actually, but once again, the whole thing would be a very limited effort in the sense of I would once again do what I did before, delay work and so on. The thing is, when you actually get involved in your own book and get involved in publishing you find that you actually are caught up in the thing so much so that you want to do other books. I don't think you should restrict yourself to one book. I find it interesting going into bookstores and making contact with booksellers and seeing how publishing

is operated. I think that I would like to do this, but if I can't do it because of money, I would like to pool my resources with a larger publisher. I think some of the ideas I have mentioned could be implemented.

THE CHAIRMAN: Have you ever been engaged in, as employee or participant, of a publisher?

MR. RUSHTON: No. Not yet. Today there is a difference, of course, the old maxim of publish or perish now seems to have become get thee to a parish.

THE CHAIRMAN: Mr. Rushton, we appreciate the time and effort you have put into this brief and the ideas that are in it. We are in a position to do no more at this point than encourage you to proceed. We thank you for coming.

MR. RUSHTON: Thank you.

SUBMISSION OF PROFESSOR J. TERASMAE

THE CHAIRMAN: We have with us now Professor Terasmae, Professor of Geology and Chairman of the Department of Geological Sciences at Brock University.

I believe you are here to speak in an individual capacity?

PROFESSOR TERASMAE: Yes.

THE CHAIRMAN: Would you be kind enough to touch on the high points of your brief and then we will discuss it.

PROFESSOR TERASMAE: All right. Perhaps the best I can do is very briefly summarize the points that I included in the brief and then we can elaborate or explore them further.

Perhaps the first thing I touched on is the relationship of the publisher to other aspects of life. This is why I introduced this comment about. This is composed of the writer, the publisher and the reader. I felt that one should not ignore other components that exist and only concentrate on publishers. I also felt that the current concern has arisen from the general feeling amongst people like myself, Canadians in general, that they wish to see Canadian literature or scientific textbooks published by Canadian publishers.

We are concerned, and I feel we are prepared to do something about it, even in financial terms if necessary.

On these two or three points as recommendations and I felt that, in view of the urgent nature of this subject, some action is required right now and this may be of a short-term nature. Something different may be required on a long-term basis. I suggested or suggest in my brief that we will be better off if some grants or loans, awards, are made available, rather than blanket support and I felt that they must be of a competitive nature so that there is some incentive to achieve excellence.

I brought in the point about the reader, it may be the general public or other levels in our educational system and we should also keep in mind the reader's needs and his or her set of values.

and I also felt -- and this is based on some impressions I have got from travels outside of Canada on Canadian literature of Canada abroad and I feel that there is less confusion about Canadian identity outside of Canada than there seems to be amongst ourselves here.

I think basically these are the few points I make.

THE CHAIRMAN: May I ask you, please, on page 8 you talk about the critic or reviewer in the publishing business. In this connection do you mean a person on staff who does the reading and selection, if you will, of manuscripts? Is this the person you mean as a critic?

PROF. TERASMAE: Actually I also meant some person who may not be on the staff.

THE CHAIRMAN: Who would be retained for this purpose?

PROF. TERASMAE: Who would be acting as a liaison between the writer and the publisher or perhaps he could be on the staff.

DR. JEANNERET: Professor Terasmae, I thought yours was a commendable and useful private brief but I have one or two questions. On page 5, the second paragraph:

" It is certainly possible to increase the sales volume of Canadian published literature by appropriate advertising in other countries

because there is sufficient interest in Canadian literature and Canada abroad."

I would ask you whether or not you make this decision, , the sales volume, of Canadian published literature can be increased abroad by advertising on a basis that would pay its own way or whether you mean that some kind of supported advertising program should be indulged in? In other words, do you feel that the commercial publisher is missing an opportunity to make an advertising investment which would repay the costs?

PROFESSOR TERASMAE: I think there is a possibility there. More specifically what I had in mind was, thinking of scientific literature, for instance, it is not well disguised or is not well known on the university campuses outside of Canada. In the United States and Europe I have come across colleagues where they simply did not know what was available, in my own case, in geology.

DR. JEANNERET: But on textbook and college reference book materials, they are promoted not through any of the normal channels of advertising that are popularly thought of, they are promoted by representatives and agents and so on and this requires republication, unfortunately abroad, if you are talking about Europe, so that there is actually an edition which

a British publisher of textbooks at the college level is promoting, in person, in the flesh, is that not so? This is the problem.

PROFESSOR TERASMAE: This is the problem all right.

DR. JEANNERET: They will take it if they can sell it.

PROFESSOR TERASMAE: Yes. I think there is a good deal about Canada not known in geology that would be of interest certainly to people at university or at different school levels. I don't think they have enough knowledge about what we have here. That is the import of the impression I get.

DR. JEANNERET: I think our problem is to find ways and means to make it possible to get books published and this matter of getting them accepted by other publishers abroad, which is a form of export, depends on the quality of what we publish.

PROFESSOR TERASMAE: Oh definitely.

DR. JEANNERET: It is much, much more attractive to a British publisher or an American publisher to take a Canadian published textbook which has been done successfully and is successful and has another national application as it might in the case of your field. He could take that from the Canadian publisher at a much greater advantage to himself than he can develop a new one on his own.

PROFESSOR TERASMAE: Yes.

DR. JEANNERET: Therefore, if you have something that is publishable abroad, it will get published abroad. This is my point.

PROFESSOR TERASMAE: Yes.

DR. JEANNERET: Our problem is to get the item published in the first place.

PROFESSOR TERASMAE: Oh, yes, it is just a question of making it available elsewhere.

DR. JEANNERET: I have just one other question. This has to do with your recommendation of a system of grants and awards. We have discussed this from many standpoints and I would like to know whether your thought is that these awards should be strictly prospective, that is to say, aimed at stimulating the undertaking of new writing in specified fields and being granted at the end of some considerable period of time in the future or should they be in the nature of awards for work already done in the past, that is to say, on the basis of the current year's production we will give awards for the best books. My question has to do -- it is a basic philosophical question about the awards practice -- are we going to use such a system if there is such a system, to stimulate new writing in specific fields or simply to reward writing in general and publishing?

PROFESSOR TERASMAE: I think there are two things involved. I would like to see both done but primarily I think the stimulating aspect is what I would really like to see emphasized more. I would not want to say that we don't need awards in the sense that these awards for work that has already been done and evaluated should be done away with.

DR. JEANNERET: You think awards should be given to stimulate the undertaking of new projects, that is what you really mean?

PROFESSOR TERASMAE: Yes.

THE CHAIRMAN: I thought it was useful that you have redrawn to our attention the thought that in terms of authors, which is most important, you say "We are dealing in this case with natural talent which some people have and others don't, trying to develop excellent writers artifically by formal training will not guarantee success. Outstanding writers are strong individualists who cannot be massproduced."

That might be true of writers and I certainly think that it could be. I wonder if it is true with regard to publishers?

PROFESSOR TERASMAE: With writers I admit that this is the case. They are people who follow their own line of endeavour. To a certain extent I am sure, yes, that is true of publishers as well. Certainly some of

them have strong commitments and some of them make up their own mind and use their own ideas and not necessarily something that will pay a handsome profit. I think there is an element of that amongst publishers too.

THE CHAIRMAN: I join with my colleague in saying this was a very good brief. I think he has covered most of the points. We are in discussion with the Province of Ontario Council for the Arts, it is on public record, in connection with their programs for the future in relation to awards and things of this kind. I thought that point was most useful.

Are you an author yourself, Professor?

PROFESSOR TERASMAE: Not of books in that sense. You see, I spent about 15 years with the Geological Survey of Canada in Ottawa and there I had some books published through the Queen's Printer.

DR. JEANNERET: I predict you will write a book.

PROFESSOR TERASMAE: Well, there is pressure to write something in my own field.

THE CHAIRMAN: Where didyou go to university?

PROFESSOR TERASMAE: Upsala. There is a reference which perhaps many of you know. I have known about it before. This was in a recent issue of the Readers' Digest

referring to student unions in Finland---student power and what they can do. There was a little comment I picked out of there.

THE CHAIRMAN: Are you suggesting that this massive program for the summer that the federal government is putting on, ought to have had some degree of publishing or writing output encouraged?

PROFESSOR TERASMAE: Why not?

THE CHAIRMAN: As a Finnish expression, why not?

PROFESSOR TERASMAE: I think so. It is arranged in very short order but there is one other way. Sometimes perhaps you might consider it. What you lose inmoney you gain in knowledge. There is a matter of values, I think. You want certain things no matter what.

THE CHAIRMAN: I suppose from a publishing point of view, if youare a publisher it is a question of which of your priorities is first, cultural or national priority or making a dollar?

PROFESSOR TERASMAE: Yes, this might be a more effective thing. It is a business you can't lose in. If you make a profit, fine, if you don't you still don't go bankrupt. It might promote actions or provide incentives.

DR. JEANNERET: We have welcomed

all the briefs we have received but we are always interested in the motivation behind the brief. In your case I feel it is completely public-spirited and for this I congratulate you.

PROFESSOR TERASMAE: Yes, I think it is.

THE CHAIRMAN: Thanks for coming, Professor, we appreciate it very much.

---Adjournment

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

Mr. Richard Rohmer, Q.C.	Chairman
Dr. Marsh Jeanneret	Commissioner
Mr. Dalton Camp	Commissioner

---

252 Bloor Street West, Toronto,
Ontario, June 3rd 1971.

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1 SUBMISSION OF

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Mr. B.J. Arnold, Assistant Professor	University of Western Ontario Faculty of Law
Mr. Lovat Dickson	Publisher and Author

Toronto, Ontario,
June 3rd, 1971.

--- The hearing commenced at 10.00 a.m.

THE CHAIRMAN: We have with us this morning Dr. D.A. Dunton, President of Carleton University who is representing the Council of Ontario Universities. We welcome your presence, Dr. Dunton. It is an occasion to have a distinguished Canadian with us and we are most interested in what you have got to say. We have read the brief but we would be obliged if you would touch on the high points and then we will discuss it with you if we may.

SUBMISSION OF COUNCIL OF ONTARIO UNIVERSITIES

DR. DUNTON: First I would like to express appreciation to the Commission for arranging to hear us, or me, representing us, which is sort of extra to your agenda because of the difficulty of arranging times because June 1st, one would think, is a time when university people have a certain amount of freedom but, on the other hand, we are jammed with meetings of various kindsa and it was the only time this delegation could be free and it was kind of you to make way for us this morning.

If I might say a word about the Council of Ontario Universities first. It is a name change to Council just at the beginning of

last month. It was previously the Committee of Presidents of the Universities of Ontario. It is a body made up of the presidents of all universities, for instance provincially supported universities in the province. This has not been for some time just the presidents but includes many others. It deals with a great many matters of concern to you throughout the province, arrangements of all sorts of mutual interest. The Council speaks for the universities on important matters concerning universities and goes back to the Senates of the universities and gets their agreements or views which usually take about six months at the minimum. So, quite often the Council has to take a chance on endeavouring to speak for the university insofar as it feels able to do so.

At a meeting in April the Council, then called the Committee, discussed the matters before your Commission and decided that it should present a brief along general lines and decided on the general lines the brief should take. The Committee consists of Dr. Gibson, from Brock, Professor Neville of Trent and myself were set up as a drafting committee. We worked very hastily as you can perhaps see. The draft was submitted to the Council last month, agreed to by the Council with some slight amendments and that is the brief that is before you. Unfortunately we can't claim that it is of great

help to you in your work. We do not think it would be possible to make any precise suggestions for remedies or forms of action.

To be quite frank it was difficult to decide just what the suggestions should be. I think it is rather a statement of concern and suggestion of general directions in the way in which action should go.

We do believe that it expresses a kind of concern, felt by the great majority of the people in the university community of the province. As you are aware from reading it, a good deal of the brief is fairly general, just expressing the extreme importance of a viable and effective publishing industry in a country such as Canada the contribution to its culture and communication among the people which is necessary to the understanding of that country in other parts of the world, to make possible the contribution of that country through knowledge and understanding to the world.

We, of course, as university people don't take even any part in a nationalistic argument or put up any great barriers to the movement of the product by any means. The universities have to use an enormous amount of material but the bulk of it does come, and always will come, from outside Canada. We are concerned and we think it important that there be healthy and vigorous firms in Canada publishing material

of a more popular conception and also, of course, of a more academic nature, more intellectual content and we are not thinking only of that, we are also thinking of more general cultural aspects of material for more general reading.

You know well as in all cultural fields that economics tend to work against Canadian production. The people have pretty sophisticated tastes; in matters of things of the mind it consists of two markets, neither very large, the English market and the French market which in comparison with the American market is small and as far as culture is concerned in some people's minds the initial cost is a pretty major factor. If you spread that initial cost over the large sales you, of course, have an enormous advantage in both English-speaking Canada and French-speaking Canada. You are at a disadvantage when it is so relatively easy to import material, the main cost of which has been recovered in other markets. I am speaking of magazine publishing, films -- just about everything for the mind.

So, without being specific we do, in general, support the idea of assistance to Canadian publishing houses to get started and assistance particularly with the publication of Canadian titles in either English or French and particularly with the importance of translation which is usually a very expensive operation. If

it has to be translated we will have to have more money than we originally required.

MR. CAMP: Do you recall any study being given to that during your activities with the B. & B. Commission?

DR. DUNTON: Yes, quite a lot. If we had said something we would have said something in the last volume which did not appear in the end. We did make some reference to it in the course of the education volume.

DR. JEANNERET: Do you recall where one of your most heart-felt submissions on the subject , Mr. Camp where it came from? I think it was from me.

DR. DUNTON: Yes, it was.

MR. JEANNERET: I just wondered on that point if you recall if you had any useful reseach data or information on that particular subject? We would be interested in that because we are interested in the problem.

DR. DUNTON: I don't think it is right we had very much hard data. We had enough from people like Dr. Jeanneret, people who know the situation pretty thoroughly and had experience, things they had a fairly direct knowledge of, for instance, the high cost of translation and also the importance to our people who in these days as the number of bilingual individuals come into being we also know there is a great need for translation in both ways. French-speaking Canadians

have a pretty good command of English but to read a text thoroughly it is much better in their own language and vice versa. There are Englishmen who pride themselves on their capacity to read French.

MR. CAMP: It certainly inhibits the prospect of a national literature.

DR. DUNTON: Yes.

DR. JEANNERET: The point I was making at that time, Dr. Dunton, and I changed my mind before we came to any conclusions here but it was that the cost of translation should be eliminated as a factor in the decisions to publish, granted concerning publication in either national language. Would you subscribe to that?

DR. DUNTON: Yes, I would, I would agree with you on that.

DR. JEANNERET: I was not able to ask you that question last time.

DR. DUNTON: It is an extremely important cost factor.

THE CHAIRMAN: This, of course, is a cost factor that if it were to be implemented would properly be one which should be borne by an overview government such as the federal government?

DR. DUNTON: Yes.

MR. CAMP: One of the things that sticks in my mind as to the problem is the art

of translation has not reached a sufficient standard in this country to encourage a policy as broad as the one we are talking about.

DR. DUNTON: I think that is another thing. We are all quite aware of that. As you say, there are not too many really good translators able to do good literary work. On the other hand, if you have more subsidization and more activity then naturally you will get the development. There is good work going on at the University of Laval and also at the University of Ottawa. They have translators with a much better background.

DR. JEANNERET: You would agree, wouldn't you, Dr. Dunton -- because I know of your own bilingual background -- that translation is not only an art but it is an art that should be practised always by the person whose mother language is the target language and that there is no such thing as bilingualism if it doesn't take that into account?

DR. DUNTON: No, the translator's mother tongue must be the language he is working into.

DR. JEANNERET: I don't know of any exceptions unless you go to Conrad or something. There are no practical exceptions to that, I don't believe?

DR. DUNTON: I don't know of any.

DR. JEANNERET: As a rule it is often

forgotten.

MR. CAMP: I didn't mean to interrupt.

DR. JEANNERET: Well, in general, your brief gives us great support to our morale. As you say, Dr. Dunton, because it in effect says that we should be here worrying about these matters. As to mechanisms you quite rightly observe that you leave that to us. One or two that we have been talking about, that is in the hearings, not necessarily favouring them, you mentioned the fact that the write-off of the initial cost is a much greater problem for the Canadian publisher with a small market. How true that is, particularly in view of the fact that the Canadian publisher normally operates under the disadvantage of not having ready access to subsidiary rights markets.

This point came out in the hearings and it is ever so true, which means that Canadian publishing is under a double disability as subsidiary rights very often are the only net income that an American publisher makes money on. It is often said, in a general way, that that is so at least. Therefore, we have been considering or we have been asked to consider, such devices and mechanisms as recognizing the public lending right.

The public lending right is the principle adopted now in the Scandinavian countries

and is under consideration in the U.K. whereby a payment is made from some source to the copyright owner, at least to the author but presumably to the copyright owner which is more likely going to lead to a division between author and publisher in respect of circulation of copies through libraries which otherwise might have been sold.

(Page 2110 follows)

We know, of course, that if you removed the library we would not increase the sale by the number of copies circulated or anything like that, but it is a factor that this conceivably might be a proper area of support and a proper approach to support it in the field of Canadian books. If you have any views on this idea, we would be glad to hear them.

DR. DUNTON: As you realize, it is an extremely awkward question for me.

DR.JEANNERET: It wouldn't necessarily have to come out of your formula financing.

DR. DUNTON: That encourages me.

MR. CAMP: It emboldens you!

DR. DUNTON: Music is something like the same sort of thing and probably some other fields, you get some payment for use in some form, not just for the copy or acquiring the copy. I would say naturally universities would be worried. I can't quite see how it would work for the very large volume of non-Canadian material.

DR. JEANNERET: We might have to await some kind of a development, an international agreement to face that in the future. This is always under discussion in the International Publishers' Association, but we could impose it with respect to Canadian

books. We could recommend it for Canada. We could recommend it with the hope of implementation in the province.

DR. DUNTON: Depending where the financing came from for libraries of all sorts. It is a curious position in a way of making Canadian books more expensive to the libraries.

DR. JEANNERET: Not necessarily to the libraries. I mean circulation could be a criterion. It wouldn't have to be painstakingly tracked, but ---

DR. DUNTON: More like foreign rights.

DR. JEANNERET: One could have a bench mark then for legitimate support of Canadian publishing. This might never see the libraries.

DR. DUNTON: Wouldn't it be curious if it developed on an international basis the result in Canada as a whole would be to take pretty extensive payments out of Canada?

DR. JEANNERET: One could not abide any redundancy here at all, if that is what you mean. That would be some way off in the future.

DR. DUNTON: I think Canada perfectly naturally, having a healthy industry, will always have to import the use of a great deal of material from outside and if there is

some form of payment for it, it will unbalance the net payment by an enormous amount.

DR. JEANNERET: Once the principle could be developed -- we are not in any sense recommending these but we are studying it -- it could take into account some of the revenues lost through photocopying, for example. This is a burning issue.

DR. DUNTON: I can see those, but I can also see very considerable payments going from Canada to all sorts of countries outside.

DR. JEANNERET: It it became international. If it became international we would have to be bound to it by some later revision to the Berne.

DR. DUNTON: This would resolve some pretty heavy payments flowing out of Canada.

MR. CAMP: It would be more expensive for us than anyone.

DR. DUNTON: Than most countries.

DR. JEANNERET: On an international basis, but we don't have to face that probably for 20 years.

DR.DUNTON: I just wonder. I don't know. I haven't thought it out at all. I wonder if some form of subsidization or assistance and so on might be cheaper than this sort of thing and avoid these differences between

Canadian and non-Canadian books.

DR. JEANNERET: If there is support given to Canadian authors and to Canadian copyright owners on the basis of sampling circulation of Canadian materials, and only with respect to Canadian-authored and produced works, there would be no consequent obligation to do the same with respect to foreign works at all.

DR. DUNTON: Yes.

DR. JEANNERET: It would give us a bench mark and encourage Canadian publishing.

DR. DUNTON: I would hope there would be some differentiation between very popular things that have a natural market so easily.

DR. JEANNERET: I would hope there would be at least recognition of the different categories.

We don't want to go away from your brief but, on the other hand, we want to take advantage of your presence. In your discussions with these other colleges, was there any mention as to concerns being presented to the Commission or to publishers re university library purchasing policy?

DR. DUNTON: There was at the Council and has been quite a bit just general university talk and I think I agree with the brief of the librarians. I think it would be

disastrous if, as in Quebec, the universities do all their purchasing through Canadian agencies. It would be so much less official and so much more expensive. Again, one can see what is in the minds of some of the publishers and once more I think some form of subsidization or assistance related to their output of Canadian titles is much better than trying to get more money for them by assisting them to have a monopoly in the acquisition.

DR. JEANNERET: The suggestion that has been made and which we are discussing with the librarians and with the publishers now, however, is a compromise one where a little openness -- you have heard of openness being indulged in by the librarians with respect to their ordering and that they expose their orders for a short period -- ten days -- and if those books are available in Canada for immediate filling at competitive prices, then, perhaps they would be good enough to avail themselves of this service because it would be very much in their interest to do so. They have, in principle, admitted that this might work. We are far from agreeing on the details.

DR. DUNTON: I think that sounds like a good compromise. I must say I see no reason why we should go to a foreign agent of some sort if the books are available here, but so often they are not.

DR. JEANNERET: I think the students are responsible for effecting this.

DR. DUNTON: Good idea.

THE CHAIRMAN: What Dr. Jeanneret is saying is in terms of the word "exposure". The principal thing is we have exposed the university librarians to the Canadian book publishers in the university field.

DR. DUNTON: That is an interesting confrontation.

THE CHAIRMAN: It has been interesting so far. The evolution may be productive.

MR. CAMP: Just one other errant question. There has been considerable discussion which has emanated to a degree from your own university in regard to the numbers of -- I might as well say in terms of Americans now occupying chairs in the political and social sciences at Canadian universities. I don't want to get into that but I just want to ask a question as to your own judgment, if you think, as a result of this phenomenon there would be a tendency to encourage American texts and discourage Canadian texts?

DR. DUNTON: I don't think so. In the first place, one has to look at the figures. Those in our university just happen to be just about the average for the province and it is roughly over 60 per cent

Canadian, 15 per cent American and the balance non-American. In other words, the great majority of non-Canadians are not Americans. This applies quite a bit in the social science fields too, so I wouldn't want -- talking about the non-Americans, Europeans are not particularly biased at all. I think it can be. An American tends to be familiar with American material, but one can't be sure that a great many Canadians have to face this. This is particularly in some of the social sciences which has developed so much in the last generation who are familiar with the world-wide material available. A lot of the best stuff in the field -- I don't think one necessarily changes it by sharply changing the citizenship of the people in universities. Again, I think the important thing is to develop a Canadian contribution in these fields, sociology and political science, right through the social sciences, economics. There the European contribution is much greater. I think we could get at it that way rather than trying to scare the Americans off.

MR. CAMP: The one factor discourages the other possibility? Do you know what I mean?

DR. DUNTON: Which way?

MR. CAMP: Well, the more -- fewer Canadian-educated professors you have, the faculty has less opportunity for Canadian

writing productions to be imposed.

DR. DUNTON: Some people are non-Canadians but become extremely interested in Canadian problems and contribute to them. There was concern expressed in some places about the number of non-Canadian scholars in Canadian universities applying for scholarships and so on. They may be extremely useful people working on Canadian problems.

MR. CAMP: Yes.

DR. DUNTON: One thing I have heard before and you may have heard from faculty people is the number of visits they have from team representatives of non-Canadian publishers, asking when the next book is coming out and a how is that text coming along and so on and lack of visits from Canadian publishers.

DR. JEANNERET: This is a matter of accessibility to markets, I think. That is not an adequate answer, but it is an explanation. If you take your Canadian publisher without access to substantial college markets, not access in any way to a continental market, regrettably, it would result in this emphasis.

MR. CAMP: I guess the last question I have with respect to the brief -- and I realize you established the heterogeneity of this question, but nevertheless, when you say a national emphasis involved in keeping a healthy book publishing industry alive in

Canada, the fact is that you would have a healthy book publishing industry in Canada, but what the difficulty is in determining the mix in what the national interest is to be said to be truly served. It seems to us anyway -- my colleague, Dr. Jeanneret, raised this the other day -- if you have a Canadian publishing house primarily involved in the production of Canadian works to the degree you have that seems to be the degree to which you have problems. What I am trying to get from you is your opinion ---

DR. JEANNERET: It wasn't a conclusion.

MR. CAMP: It was an assumption or a hypothesis.

THE CHAIRMAN: It is what we are being told. This is the way it is. We are being told this.

MR. CAMP: My question is whether you have in your own mind sort of a definition of a publishing industry that would be suitably Canadian and suitably serve the national interest, that is to say, we have had considerable testimony about publishing firms in Canada, which are not really Canadian, in the common judgment of people coming here who are doing a superior job in texts. In the brief it is not made clear to me whether what you are saying it ought to be Canadian by nationality and it ought to be dedicated to the production of

Canadian works.

DR. DUNTON: I don't think we meant to go that far. We talk about assistance being related to Canadian titles.

MR. CAMP: In your opinion what is a Canadian publishing house?

DR. DUNTON: I admit we are not very precise. I think we were assuming publishing firms controlled by Canadians.

MR. CAMP: Controlled by Canadians?

DR. DUNTON: Yes.

MR. CAMP: That is from the point of view of ownership?

DR. DUNTON: Yes, although I would be the first to admit that if you have a firm here that is controlled outside of Canada and still going good publishing of good Canadian titles that it is contributing to Canadian national culture.

MR. CAMP: I think you expressed the concern here, though, that if there were no other?

DR. DUNTON: I think the more general concern is that if that is very widespread it is a dangerous situation in future. That is more broad than specific. I can't complain of whoever does it in Canada but if there is so much control outside there is potential danger there.

DR. JEANNERET: Dr. Dunton, I think your concern is that we should be concerned with the cultural implications and not the economic implications of Canadian ownership?

DR. DUNTON: Yes, you put it better.

DR. JEANNERET: That that is the emphasis that should concern us, in your opinion?

DR. DUNTON: Yes.

MR. CAMP: One is easier than the other to be concerned about.

DR. JEANNERET: Well, the economics he has said is relatively unimportant in the GNP.

THE CHAIRMAN: I suppose, too, it is a question of whether you can departmentalize, things such as economics and culture can be put in different slots?

DR. DUNTON: They relate to each other very much. You can't have a culture without a reasonably economic base.

THE CHAIRMAN: Dr. Dunton, I want to ask you certain questions in relation to the point we have just been discussing. I wanted first of all to thank you for drawing to your attention certain quotations from the report of the O'Leary Commission which I thought were extremely useful and if there was nothing else more than that it draws to our attention again the sort of historic growth of the concern that we are confronted with and reminds us that others have looked at it as well.

From your viewpoint and from your experience, you have had a substantial overview look at this country over a period of years. I wonder if you could indicate to us what it is that you think in Canadian culture or Canadian society makes it so different from, for example, the

American society and culture that steps should be taken to, if they should, preserve any kind of Canadian publishing, book publishing, in a viable sense?

DR. DUNTON: Let us start with one part of the country, the French-speaking part. That part of Canada, to me, has a very distinct culture. It is distinct from France and it is certainly distinct from that of the rest of North America. As a society with vitality as that society has it should be providing a lot of the things for the minds of its own people as, in effect, French Canada is doing partly as protected by the language in broadcasting, for instance. The French television network has always been more interesting than the English network simply because they have had to produce a lot more of their own material for themselves and I think they have done an extremely creative job in doing it.

In the same way I would say that very roughly speaking proportionately the French language publishing in Canada has always been really more lively than English Canadaian Though the market is smaller there has been a greater need for their own publishing inspite of all their problems. There is decidedly a distinct society there. It is easily recognizable and I think ways need be found, as they have to a considerable extent, to enable them to look after

their own cultural affairs.

As I say, on the English Canadian side it is not so clear. I think it should relate to the cultural area. English Canada is not so different in its ways and forms of thinking from that of the United States but it is a separate country. I, along with a great many Americans, think it is worth having separate North American culture, just the variety of having a second country in North America is a good thing so that there can be a group of 20-odd million people here who do things but differently. It is good for the rest of the world and they get two contributions from North America, a major one and a minor one. I simply start from that rather simple point.

It is a good thing that there be this separate country in English-speaking North America and for it to be distinct in the long-run it must have a chance for these people in this political division of the continent to communicate among themselves and to develop such cultural creative production as would come out of this, the English side, about 14 million.

I think broadcasting is a typical example where the Canadian public, through the years, have spent tens of millions of dollars as I see it simply to ensure that broadcasting to some extent -- and only to some extent --provides a means of communicating among the people in this country and then producing some of the material for

themselves. I think we essentially face the same thing in other fields -- in films and we face it in the publishing, in periodicals and now this Commission in book publishing. I don't think it is a question of Canadian English-speaking culture being better than the American or the United States nor frankly essentially being vastly different. I think that it should have the opportunity to develop in a different way if it occurs that way, if the people living in this part of the continent wish it. I believe myself if it has that opportunity it will produce some distinct things and those would be good for the 20-odd million people here.

It is incidentally a rather good contribution to the mass of people in the United States who are getting to see some of this North American that is not from the United States and making a distinct contribution to the rest of the world.

THE CHAIRMAN: In connection with one of the points which you mentioned, the communications media, do you consider that book publishing, the writing of books, can in anyway be compared in importance with radio or television and deserving of the same kind of considerations?

MR. DUNTON: Well, it is as important, I think book publishing, I imagine a great mass of Canadians spend less time reading books than they do with the television but that

1 does not say it is not extremely important.
2 In other words, I don't think we would have anything
3 like a rounded cultural development in a general
4 way if it turned out that -- in broadcasting we
5 did provide for a certain Canadian content whereas if
6 we, in effect, had no book publishing then it would
7 be lopsided. I don't think it is a question
8 of whether it is more or less important, it is
9 important. The publishing industry has a certain
10 vitality but I can't see the Canadian industry as
11 a whole having very much future.
12 THE CHAIRMAN: We have been told
13 from time to time in submissions made to us
14 that really the book publishing industry should
15 be considered to be a key industry deserving of
16 the same kind -- not necessarily the same kind
17 of protection, if you will, but the same kind of
18 regulation that the radio or television industry
19 has. This is the reason that I raised the
20 question.
21 DR. DUNTON: Another fact is that
22 it is not as big and you do not have -- as soon
23 as you get into the question of subsidization then
24 with that then we must bring forth judgments
25 about quality and performance.
26 THE CHAIRMAN: Of course, I am
27 thinking back to the brief at page 4 of either
28 moving sideways, backwards or forwards. I would
29 like to take you to the point we are discussing.
30 You say:

1 "
2 ... the second is to provide for
3 legislation establishing either
4 guidelines or minimal criteria
5 relating to the ownership, control
6 and sale of publishing houses."
7 I should have sensed in this the target is not
8 dissimilar to that which the CRTC is designed to
9 achieve, bearing in mind that once you create
10 a principle of this kind somebody has to interpret
11 and administer it. Now, I am going to ask you
12 the next one which relates to the word "overview"
13 again.
14 As you are well aware we are
15 a Provincial Commission and yet we are being urged
16 on all sides to consider making recommendations
17 which are, because of the nature of the industry,
18 national in scope and we, of course, have come
19 to no conclusions or opinion on this at all.
20 Nevertheless, I think it is up to us to pose
21 certain questions as we move along to people who,
22 from their experience and background, are more
23 than capable of addressing the question, someone
24 from whom we can learn. That is the only way we
25 can learn, at least it is the only way I can learn.
26 I wondered if you might contemplate
27 the question of whether or not if we were to make
28 recommendations that would have to be implemented --
29 let us assume for the moment that we would have to,
30 in a proper sense, make recommendations which would
have the overview import for Canada, whether you

might think that within the framework of CRTC -- and I am one of those who moves away from the proliferation of on-going boards and bodies, even though we see it going on all the time -- whether there might be some room within the CRTC structure to recommend that possibly the CRTC have its name changed to be the Canadian Radio, Television and Book Commission?

DR. DUNTON: To some extent I agree with you. I dislike proliferation of things, but, on the wother hand, I know that CRTC has an enormous amount on its plate now.

THE CHAIRMAN: But the construction of these Commissions are such that they have -- for instance, the Canadian Transportation Commission has rail, marine and air and they may have one or two others they have not told us about but there is this opportunity to departmentalize?

DR. DUNTON: It is a possibility, though. Films, which are probably more closely aligned is separate in the National Film Board on the production side.

THE CHAIRMAN: Bear in mind we are now talking in terms of your submission on foreign control, the question of ownership, in effect, the kind of question having to do with content, how much of this and so forth, which much more fits into the CRTC kind of structure.

DR. DUNTON: I, myself, can see the development. I am not sure my colleagues who

worked with me on the brief would agree with me. With this kind of approach one would be providing financial assistance, certain conditions and so on. I, myself, would not see any regulation about ownership or anything tending to be connected with that financial assistance. I would be inclined to think that would be better done by a separate body to be worked in a different way from the CRTC.

THE CHAIRMAN: Yes, that could be, for example, some part of the Department of Trade and Commerce or whatever it is called, or the IDB or something of this kind when you get into straight financial matters. This is where we can move in and mark a departmentalization. Those are economic matters, financial matters but I think we are, on the other side, looking at the cultural aspect of the thing.

DR. DUNTON: Perhaps we get an extra economic side on the cultural side. I think if the system of methods of financial assistance is worked out, as Dr. Jeanneret suggested, there would have to be some qualitative judgments involved in that in some cases, to see if it would be worthwile providing more finances or a higher proportion for certain kinds of materials for greater inherent value, but lower circulation. Therefore, one would have to have some body or method of making those judgments and I myself would see that body in making those judgments and as to matters of ownership, I would be happy if the ownership related to that, rather than trying to have legislation or control on ownership and so on, and sale of publishing houses, whether they were getting any help or not. That begins to interfere in a more general way and I think a more suitable way would be with relation to assistance to publishing houses which qualify for assistance.

MR. CAMP: I just wondered if, in a general way, or in a particular way, if you like, you could define or identify what you take to be the appropriate federal responsibility and interest in a Canadian publishing industry? In other words, it has to begin somewhere and obviously when it gets into the educational field, it has to end somewhere.

DR. DUNTON: I hadn't thought of

the possible implications. These things can be pretty intricate. I would think that a start could be made just in the Ontario jurisdiction which would have some advantages because of the connection with education and so on, and most of the English-language publishing is centred in Toronto. It is just possibly getting something going without having to go through federal-provincial conferences and everything. I suggest one could see at least the beginning of a system on an Ontario basis of provisions for financial assistance and also related to considerations of ownership and control. Perhaps that might widen later, or the federal government might pick up aspects in the federal jurisdiction. I would imagine most of that would lie in the provincial jurisdiction.

MR. CAMP: It is quite a burden for one province to carry, all the national publishers.

DR. DUNTON: I think the province would decide what it thought to be good for the country as a whole and it is where most publishing is.

MR. CAMP: If publishing makes a profit, who gets the biggest share of the tax dollar?

DR. DUNTON: I think if this province came to that conclusion, it might be a very interesting subject for a federal-

provincial conference if the province decided what it would see as being good for the country as a whole, seeing what part the federal government might have.

MR. CAMP: It is very clear in your brief that there has to be an on-going viable national publishing industry related to the cultural and social interest of this country. All the recommendations we get taking 100 per cent, I would say 90 per cent of them recommend that the provincial government of Ontario do something, subsidies, loans, grants and everything else. At this date there is very little asked of the federal government and whatever has been asked, they have chosen not to do.

THE CHAIRMAN: I think it is going to be a matter of some disappointment that, while we view -- I think my colleagues and I view the whole of the publishing industry in Canada as being a matter of national concern. We have learned with some grave regrets, the federal government really does not feel it is appropriate, for example, to participate with the provincial government in sharing what we consider to be necessary with regard to, for example, McClelland and Stewart. That, of course, is a matter of information which has just recently come to us. Nevertheless, these are matters which are, of course, going to make

it much more difficult for us in the long-run.

DR. DUNTON: I must say, just thinking of it here, to be effective naturally, to take in the two languages, we would have to develop a level, or at least a federal aspect that the federal government, through the Canada Council, has to some extent been in the business of assisting publications.

MR. CAMP: It is a pretty well-established opinion of people who come before this Commission, that this contribution is minimal.

DR. JEANNERET: Dr. Dunton, your reference in your brief to a provision of guidelines -- a provision of guidelines for legislation relating to the control of publishing houses, I thought this was leading the Chairman to a point that he stopped just short of and that is this: Do you equate the right to publish with the right to speak and the right to write and the right ---

DR. DUNTON: I think personally I do and that is why ---

DR. JEANNERET: Control is not suggesting a limitation to the right to publish.

DR. DUNTON: Or content or anything of that sort. I myself would relate anything about ownership or control to houses being assisted. I would still prefer not to have any legislation from any body, whether they are

Canadians or not, publishing at their own risk in Canada.

DR. JEANNERET: What they wish, subject to the laws of libel, et cetera.

DR. DUNTON: Right.

THE CHAIRMAN: Dr. Dunton, we appreciate very much your coming today. We have learned a great deal from you and appreciate the consideration you have given to our questions. It was an opportunity we could not miss.

DR. DUNTON: Thank you very much and I appreciate your interest, but also I wish you very well with your extremely important work.

DR. JEANNERET: You know what it is like, Dr. Dunton.

SUBMISSION OF THE BOARD OF EDUCATION FOR THE BOROUGH OF YORK

THE CHAIRMAN: We have with us now, representatives from the Board of Education for the Borough of York. We have with us Mr. Bayes, Mr. Phillips, Miss Weston and Mr. Roe.

I wonder if you would be kind enough to identify yourselves? Mr. Bayes, you are the Chairman of the Board, are you not?

MR. BAYES: That is right, sir.

THE CHAIRMAN: And Miss Weston is library consultant. Mr. Phillips is assistant superintendent of program.

MR. PHILLIPS: That is right, sir.

THE CHAIRMAN: And Mr. Roe is information officer.

If you would be kind enough to touch on the main points of the brief that you would like to stress, first of all, we can assure you that we would like, anytime a school board that is especially interested in the cultural implications of textbooks and future relationship of texts, which is going on in this country -- I think this is something that is to be encouraged and we appreciate it.

MR. PHILLIPS: Thank you, Mr. Chairman,

In the preparation of this brief we discussed the question of textbooks with our teaching staff, our trustees and administrators and from the discussions we had with them there appear to be some concerns and a decision was made to come along here and to present these concerns to you.

One of the first items I think we discussed, and an observation I would like to make is that in spite of the tremendous explosion of knowledge, we are still in an age of learning through verbalization. We learn

through images and words and despite all the audio-visual equipment we have in our schools, we still find there is an increasing demand for books, books of all sorts, not only textbooks but pamphlets, reader print material and we feel that particularly in books that the main reason for the increase in demand for books is that they are better illustrated. We find they are usually more attractively bound and we realize that this is a problem for some of the publishers in meeting their costs.

I am sure the Commission understands that school boards are not free to purchase any books they wish. There are many books on the market we would like to buy. We get requests from teachers, particularly at this time of the year when they are planning the new courses for next September, to buy books they have seen in the various book stores as class text sets. We consequently have to remind them that for the purchase of classroom sets of textbooks, that we have to refer to Circular 14. This is a document. I did send some of these to you (indicating) with the brief. I would like to point out that extracts from the actual regulations specifically state our responsibility in this field. "Teachers shall not use, or permit books to be used". I won't go through the ---

THE CHAIRMAN: We are quite familiar with the responsibilities there. We may

ask you how your Board adheres to them.

MR. PHILLIPS: Right. I think one thing that has emerged over the past ten years particularly is the fact that there is less reliance on classroom sets of textbooks. Many of our history people, for instance, do not teach from a text, one text only. Many teach from several texts. They are looking for a lot of pamphlet-type of material to support a particular point of view they maybe want to get to the children to understand. What this does, I think, is to place the publishing industry in such a position that when they find a small market for a particular textbook that may be particularly good or even a reference book, that the numbers that are purchased by school boards are not what they used to be, if it was a required class text and that the cost of predictions, therefore, are increased quite drastically.

Many of our teachers find that when new courses of study are introduced, sometimes quite quickly by the Department of Education, that there are insufficient textbooks available at that point in time of the point of departure of these courses or the new courses. I could perhaps quote an example of the recent increase -- a variety, I should say, of new science courses that have been introduced in some of our schools. I could perhaps think of

many of the courses that are American-based. That is, many of the ideas initially come from American universities, for example, the Harvard Physics course. In Toronto we have the OISE Science project too. There is also what we call an I C squared S course for our four-year science people, which is ideas and investigation of science. There is no text for most of these books and as they were drawn initially from American material, many of the textbooks the teachers would like to use are American books and we are unable to do this. I think this is a concern that our teachers find.

When these new courses are introduced many of the publishers, in talking to them, say that they are pressed by people who are both competent and willing to write books for these new courses on a financial basis. Many of the teachers feel they have not the time and teachers who have engaged in textbook writing, find once bitten, twice shy.

They feel they have put in a lot of time on many of the manuscripts and they appear to be unwilling to again devote a lot of time to bring the book up to management level without any form of remuneration. So what the teachers want is in the case of the arts, for instance, in the federal field the Canada Council does provide some help to people who wish to write but as education is a provincial matter I think we have to go for any help the teachers may want in this field to a provincial source and a suggestion the teachers made was that perhaps the curriculum department of the Department of Education does, to a large extent, control the textbook that perhaps there may be funds available channelled by this particular source into a way in which teachers could apply and say, "Now I have some good ideas on this particular subject. This is a new course that you are contemplating. Could I perhaps have an advance, say, of $500 to start with and I could work on this through the summer?" because you can't write a textbook without existing and carry a full teaching load and then have a sustained period during the summer. Many teachers would be unwilling to do otherwise.

This would be perhaps one way in which some form of financial assistance could be given to teachers to start them off writing for these new courses.

Our history teachers were very vocal

about the content, editing and research of some of the textbooks. I won't go into the details of some of them -- they gave me a list of items that if we wanted some laughs we could probably read them to you but I am sure it would be invidious to do that.

DR. JEANNERET: Was that a list of details that are not available in the brief?

MR. PHILLIPS: Yes.

DR. JEANNERET: If I heard you right you can obtain them. I don't mean for you to read them out now but could we have access to them?

MR. PHILLIPS: Oh yes, we will be glad to supply them to you.

Teachers who have written -- this is going back to publishing contracts with authors from the publishing houses, the teachers feel that the contracts of the publishing houses are heavily weighted in favour of the publisher.

MR. CAMP: They always are.

MR. PHILLIPS: We realize they have to make a profit. You see this is at different levels too, because when you think of university textbook writing many publishing houses will give the university professor a retaining fee.

I was talking yesterday to a professor at the university who had been approached for a manuscript and even though he hadn't approached a publishing house himself they have

scouts out looking for good professors to write books for them. He was approached and he was offered a sum of money before he ever started on the authorship level.

DR. JEANNERET: This is frequently true in all fields, of course, including school textbooks.

THE CHAIRMAN: I wonder, sir, if you would move that microphone just a little closer to you? Sometimes we get it fully but at other times we do not.

MR. PHILLIPS: So, what the brief recommends is that along with the establishment of some form of grant, if you wish, to textbook authors to do research the Commission should perhaps look at the publishers' contracts a little more closely. This was a concern that teachers had and one suggestion was that the publishers might purchase a manuscript outright.

DR. JEANNERET: I think we will be doing that but you are, in a sense, suggesting that the teachers are in trouble and the publishers are not. We are here for the opposite reason but certainly we will do that.

MR. PHILLIPS: Many teachers, when they were asked particularly in the sciences and modern languages, what might happen if all other textbooks other than Canadian-written books were taken off the market, objected to this. They felt that they didn't want to take off many

of the excellent American publications because it provided reference material and they voiced concern that it would not be an overly nationalistic approach and would prevent other good textbooks being used whether it be from the U.S.A. or Europe, if they would be taken off Circular 14.

By and large I think teachers do try to choose Canadian textbooks and when they are not available or are of inferior quality they feel that they should be free to choose the best available.

That, Mr. Chairman, is the basis of the brief to you.

THE CHAIRMAN: Is there anyone else who wishes to make a comment before we engage in a discussion with you?

MR. CAMP: I might say that you say it is difficult, if not impossible, for a teacher to write a textbook and at the same time assume a full teaching load. I may stand corrected but I think the Toronto Board of Education who were here the other day expressed the opinion that such a labour was a labour of love and that, indeed, it could be done and I agree with you and not with them but this is not where I am headed for. I would assume that your Board must be one of the largest school library purchasers in Ontario, is it not?

MISS WESTON: The Borough of York?

THE CHAIRMAN: You are a big borough.

MR. CAMP: Do you have an annual library budget for library purchases?

MISS WESTON: Yes.

MR. CAMP: How many school libraries do you have in the system?

MISS WESTON: Well, there is a library in each school and there are 37 including secondary.

MR. CAMP: How is your book purchasing budget struck? Perhaps I should ask Mr. Bayes that but I will ask you or either of you.

MR. PHILLIPS: Mr. Camp, the way in which we strike the budget is probably based upon an old Department of Education grant system. Earlier the Department of Education did give a grant of $3 for library books and we are now at the figure of $3.75.

DR. JEANNERET: You said for library books?

MR. PHILLIPS: Library books only.

MR. CAMP: That is how your budget is established?

MR. PHILLIPS: Yes.

MR. CAMP: Is that for book purchasing or is that for cost of administration too?

MR. PHILLIPS: Just for book purchases.

DR. JEANNERET: The $3 was not

for library books, was it, that was for Circular 14 textbooks?

MR. PHILLIPS: One dollar for library but we have struck $3.75.

MR. CAMP: So, could Miss Weston give me the budget this year for library book purchases?

MISS WESTON: Well, Mr. Phillips, I think, could answer that better than I could. He has the complete budget figures.

MR. PHILLIPS: In the elementary field the budget for library books is $78,000.

MR. CAMP: And for secondary?

MR. PHILLIPS: And for secondary it is approximately the same.

MR. CAMP: So we are talking about $150,000?

MR. PHILLIPS: Yes. In the secondary field we allocate each student $7 per student.

THE CHAIRMAN: It is $3.75 in the elementary and $7 in the secondary?

MR. PHILLIPS: Yes.

THE CHAIRMAN: We are starting to go like this. Are we talking now about library purchases only?

MR. PHILLIPS: Purchases of library books only.

MR. CAMP: At the secondary level it is $7 per student?

MR. PHILLIPS: Yes.

DR. JEANNERET: Then, I must ask a question based on what Mr. Camp has asked. The figure you give in your brief of $147,000 spent on books in the year presumably means library books?

MR. PHILLIPS: Library books, yes.

DR. JEANNERET: Did you spend anything on textbooks and other books over and beyond that?

MR. PHILLIPS: Oh, yes.

DR. JEANNERET: That is where we look to compare with the $3 per pupil.

THE CHAIRMAN: Can you jump into those figures?

MR. PHILLIPS: In the elementary field it is $3.

DR. JEANNERET: Above the $147,000?

MR. PHILLIPS: Above that. In the elementary field there is no fixed amount because the budget for general supplies is given to the schools and the schools spend from that budget. Some schools may have more courses starting than others and their demands and needs are greater.

THE CHAIRMAN: So, what about the secondary school in this particular case? You give us a figure now of $3 for the elementary?

MR. PHILLIPS: In the secondary field it is roughly about $6.

THE CHAIRMAN: But there is no specification as to how much of those two amounts are designated for textbooks?

MR. PHILLIPS: No.

THE CHAIRMAN: And it is up to the individual school to determine how much will be spent on textbooks or learning materials or what else?

MR. PHILLIPS: Yes.

THE CHAIRMAN: Anything else besides learning materials?

MR. PHILLIPS: There is an allowance of $1 per pupil for audio-visual supplies.

THE CHAIRMAN: In addition to this?

MR. PHILLIPS: In addition.

THE CHAIRMAN: For each of the elementary and secondary?

MR. PHILLIPS: Yes.

DR. JEANNERET: I think on the subject we are on there is nothing in our questions that is intended to criticize your practices. We want to understand how they operate and relate them to the province at large.

Now, if I have heard it correctly you spend $147,000 on library books and using the same factors you must spend almost as much again on textbooks?

THE CHAIRMAN: No, with respect, he didn't say textbooks. I was very clear on this. You spend $3 per pupil on books and learning

materials?

MR. PHILLIPS: Which may be textbooks.

THE CHAIRMAN: Which may be, but Dr. Jeanneret said textbooks and that is not what you have said. Do you have any idea how much of the $3 is, in fact, spent on textbooks out of the $3 of the elementary or $6 out of the secondary?

MR. PHILLIPS: I think I am fairly accurate in saying that it would be approximately $2.75 on textbooks and the other 25 cents goes towards what we call non-print materials -- film strips, recordings and other material -- picture files and so on.

DR. JEANNERET: If the department were to segregate once again and ear-mark the legislative grant to be used for the purchase of books on Circular 14 which it did up until 1968, this would not make very much difference -- it would make a little difference in the matter of 25 cents but it would not make very much difference to your buying patterns at the present time, is that right?

MR. PHILLIPS: No, in fact --

DR. JEANNERET: It would be roughly in line with that now?

MR. PHILLIPS: In fact, I think most of the Boards follow the pattern established by the Department of Education grants until they

limited them three years ago.

DR. JEANNERET: We have heard constantly that they have not yet done so.

MR. CAMP: Am I right in drawing this conclusion that despite the proliferation of books which you mention in your brief, despite the expanded curriculum, despite the increased cost of books, you are still spending approximately the same per pupil, if not a little less for textbooks, not you but the Board, than the money that was being spent when there was a per pupil grant?

MR. PHILLIPS: Yes, I think that is quite true.

MR. CAMP: So the import of that must be that there must be fewer books on order?

MR. PHILLIPS: No, our library grant has increased.

MR. CAMP: The supplementary library grant.

MR. PHILLIPS: Yes. I would say in textbooks, generally speaking, compared with three years ago there would be a similar number of textbooks in total.

MR. CAMP: I accept the answer completely but I just find it hard logically ---

MR. BAYES: I think this is our point in the brief that there is less emphasis on textbooks.

MR. CAMP: You say the textbook is still a basic tool?

MR. BAYES: The books are.

THE CHAIRMAN: I wonder if it would be possible -- we may have asked you a question that you have responded to in terms of the best of your ability, but I wonder if you could help us when we report on our considerations, when would you do a survey of expenditures in, say, maybe 10 of your schools -- five elementary and five secondary -- and get us a breakdown of the expenditures, if you would, in real terms of the $3 per student

and the $6 per student, and see what, in fact, happens on this sort of short survey? It would be most useful. It may prove your figure of 275 out of 3 on the button, but it may give you another indication.

MR. PHILLIPS: We would be in a position to now, because we make an entry of books in our system in order to see where we are going for next September.

DR. JEANNERET: Be very careful what schools you choose. Be sure to pick them at random. We want to get hard facts here.

MR. CAMP: Am I correct in understanding, Miss Weston, that the Board is spending $78,000 this year purchasing library books for the primary or elementary schools?

MISS WESTON: Yes.

MR. CAMP: And the same amount roughly is spent for secondary schools?

MISS WESTON: Yes.

MR. CAMP: I wonder if you could give the Commission an assessment of the kind and origin of the books that you purchase for the elementary schools?

MISS WESTON: I don't purchase,-- they are purchased by the librarians in each school. We have -- the librarians all have had at least two summer courses so that at least they have had something that will help them in book selection. We try to give them

some guidelines, with some lists, although York is too small to put out lists of approved library books and so on. They do have guidelines of various kinds for this. We also have publishers' displays in the fall and last year for two weeks we had the librarians all come in and had them half a day or sometimes two half days during that two weeks where they looked over all these books. We encourage them to go to publishers and warehouses and displays.

MR. CAMP: These are obviously all children's books?

MISS WESTON: Yes. We encourage them to choose carefully and wisely, but they do have access to going to publishers' displays and having displays there and choosing their books from them.

MR. CAMP: When you say "wisely" do you mean prudently from the financial point of view or the content point of view?

MISS WESTON: I would say content. They don't get books that are obviously written -- nothing to them. We try to get ones in many cases -- we try to have them see a book if they are ordering them or have read reviews on it.

DR.JEANNERET: Mr. Camp provoked this question but could I ask where the decision is made as to the channel through which these will be purchased? Is this done

at the purchasing department level or elsewhere? Where is the order sent? And by whom?

MISS WESTON: The orders are sent by the librarians to the purchasing department of the Board. I don't have a central ordering system. They order them through -- the library centre is not the centre where we check all of the orders. They go through the purchasing agent.

DR. JEANNERET: He may send them to a jobber?

MISS WESTON: They do. This has been our business administrator met with the superintendent of secondary and elementary and library consultant and some of the jobbers two or three years ago and we have been ordering most of the books through the Cooperative Book Centre because one of the main reasons, we felt it was Canadian and more Canadian, we felt, than the others. We know that there have been many problems. We almost gave up last year when they almost gave up, but so far we are still with them, although, as is mentioned here, some of the problems are that the library consultant so often is discussed at various meetings of it. They can get American -- American jobbers are up here trying to get the money very hard and what is the best in the eyes of the school, your community your taxes? Do you get the most for

your money, or do you get Canadian?

DR. JEANNERET: You need the display service that it began with to make your selection provided by the Canadian publishers?

MISS WESTON: That is right. They do not have to order through the Cooperative Book Centre. Most of our orders are through the Cooperative Book Centre. Most of the orders are done through the jobber, but I would say for elementary, not secondary, elementary -- at least secondary have been until the last year or so, except for one, doing the ordering in most cases, directly. Now they are ordering some through Canadian book wholesalers and some through the Cooperative Book Centre but in many cases still getting their books, ordering directly from the publishers and cataloguing their own books.

MR. CAMP: Are you the library consultant to the Board?

MISS WESTON: That is correct.

MR. CAMP: Would you mind defining your responsibilities?

MISS WESTON: Well, when we set up new libraries I have quite a lot to do with looking after it both from the point of view of outside of the library, the planning of the library quarters, but also assisting in getting the library set up with regard to the book budget and so on, working with the librarian in

getting a good basic selection and getting them looked after. As I said, we hire those who have training, but we do try to back them up as closely as possible in that when there is a new school library going in -my duties at that time -- my time is spent in those school libraries trying to assist them in having it well set up.

MR. CAMP: You make some evaluation of the books that are available in the library?

MISS WESTON: Yes, and try to assist them in choosing. If they have had a good background of experience on their own, they need less of my experience and help along that line.

MR. CAMP: In the secondary school library could you tell me in the annual budget if they purchase contemporary, modern Canadian poetry, Canadian fiction, Canadian works?

MISS WESTON: As far as I know, they do. I have been more with the elementary than secondary until the last year or so when York has gone to 13. I was hired for elementary so I can speak more definitely on that, although this year I have been in the high schools quite a bit more and I do believe that they do purchase them. Would that not be right?

MR. PHILLIPS: I think the high school librarians are fairly on the ball here.

They do look for a lot of new Canadian material. I was in a grade XIII the other day where they were studying contemporary poetry. I think the demand from the teachers -- what happens at this time of the year, you see, is that contemporary poetry is being studied will, in September ---

MR. CAMP: Canadian poetry?

MR. PHILLIPS: Yes. The English department submits a list to the librarian and the librarian is fairly duty-bound to get the reference book for that teacher, so really, again it is up to the teacher as much as the librarian for getting these particular sources.

MR. CAMP: Are there any ground rules, Miss Weston, or Mr. Bayes, with regard to the type of contemporary Canadian books which are being published for secondary school readers, or is it a matter of individual judgment?

MR. BAYES: I can't answer ---

MR. CAMP: Contemporary literature being what it is.

MR. BAYES: One of the reasons we suggested this brief to the teachers was that the Board members would get some feeling what is going on and I am learning as much as you are from the discussion here today. I think we are delighted the teachers took on this assignment and had a hard look at it and probably could give you some grassroots opinions.

I will let Miss Weston answer that and I will sit here and learn.

MISS WESTON: I can say -- I can't say from observing all the schools, but the ones I have talked to, I would feel that they are ordering, as Mr. Phillips said, very much what the teachers have asked for in most cases.

THE CHAIRMAN: One of the difficulties this morning is that we are short of time. I have at least ten questions I could put. I think Dr. Jeanneret has a whole series.

DR. JEANNERET: I think one way or the other I touched on most of my questions and we can have further conversations that might grow out of the information you are going to supply us. I think I can almost skip through most of my questions. They chiefly bore on statistics, they were right in the centre of that. We want to find that out.

THE CHAIRMAN: My question really is this: I wonder if you might consider coming back at a later time and having a further discussion with us. We are strained by time, but there are many areas we have not really touched on as yet and I think one of the exceedingly important areas is the whole question of authorship and the creation of an atmosphere that will encourage Canadian authorship. This is not a subject which can be lightly dealt

with and I think your brief has provoked some thinking on our part in relation to one of the phenomena, to use that word which was used earlier, to see the book publishing industry in Canada, the communication between the interested parties and groups has struck me as leaving a very great deal to be desired. I have in mind -- I must discuss it with my colleagues-- for example, the advisability of calling an informal coffee discussion, if you will, between representatives of the Department of Education, the Ontario Teachers' Federation and the textbook publishers and ask representatives of school boards just to sit down and talk about the atmosphere for encouraging authorship among teachers. You see, it is very easy for someone who is in the major scale of textbook production to come and say "We can't find Canadian authors on a crash program" or whatever. There are too many easy ways to fob it off. At the same time this is a major area, I think, that we ought to be examining with all the people, representatives of all the groups and say "What about this? Are there any avenues we can begin to open?". Yesterday, for example, we found the Toronto Board of Education has no policy stated with regard to encouraging authorship among its teachers. That is not a matter of criticism, it is a matter of

fact, and I am sure your Board does not, and I am sure all the Boards in Ontario have not, but it might be useful to consider whether some instructors might be encouraged because there is only one way we are going to get Canadian authorship and that is to have people write and create an atmosphere for them which would encourage them and not penalize them.

So these are the kind of things that we might want to discuss again with you. If you would be prepared to come back we could perhaps have another go with you but I think I can say it has been a most useful brief.

I said at the outset that we think when school board people come this is excellent as far as we are concerned and we encourage it. As we told you this morning it is most informal but we have not nearly covered the subject yet.

DR. JEANNERET: I think it has been made much more useful by the fact that Mr. Phillips has polled his teachers and you have a lot of reports you are drawing on and notes?

MR. PHILLIPS: Yes.

THE CHAIRMAN: We thank you very much indeed for coming.

SUBMISSION OF CANADIAN ASSOCIATION OF UNIVERSITY TEACHERS

THE CHAIRMAN: Well, we have with us now representatives of the Canadian Association of University Teachers, Dr. Donald C. Savage, Professor McNaught, Professor Coulliard and Professor Hugh MacLennan.

Gentlemen, we welcome you. We apologize for the delay but we are only part-time, we have to keep the rest of the world in operation

and there are other things going on behind the scenes which emerge also.

In any event we are delighted to have you with us. We have read your brief but if you might hit the high points then we will discuss it with you, if we may.

DR. SAVAGE: I would like first of all to say a word or two about the people who are with me here today. As you perhaps know, Professor McNaught is with the University of Toronto and is an author of books on Canadian history, Professor Couillard is with the Department of Biology at the University of Montreal and he is an author of books on biology and Professor MacLennan, of course, is the distinguished novelist from the University of McGill, so all these gentleman are both authors in their own right and members of CAUT Committee.

I would like to apologize that our Chairman is not able to be present with us today. He is the Chairman of the French Department of Sir George Williams University. This organization was set up about a year ago at its semi-annual meeting and it was charged, among other things, with having interest in Canadian book publishing, the Canadian book publishing industry and particularly the textbook side of it. The committee initially drafted a brief to the federal government which was supplied to you a couple of weeks ago and we have since then written a brief to your Commission

with the federal brief attached to it as an appendix. I will have to apologize for the lateness with which we got this to you but the process of securing the consent of the committee of the CAUT at this time of year took a little longer than it otherwise would have done.

So, that is how the brief came about. I think that the main points are, first of all, that our brief to the federal government was essentially a brief on financing. It suggested various kinds of subsidies and various conditions attached to those subsidies and we believe that it would be best if it is possible to arrange for the federal government to undertake this kind of financing so that book publishers in all parts of the country would have access to such funding arrangement but we also suggest that if the federal government is not prepared to undertake this task we hope the Government of Ontario would seriously consider it in relation to the book publishing industry in this province.

Secondly, we would like to draw to your attention what we think is perhaps the wrong way of looking at the manner of establishing a proper orientation in the school system for the university. We don't think you should start with textbooks and decree what textbooks should be used and then expect changes to flow from that. We suggest rather that the essential problem is a problem of curricula and that if there is a

concern that universities and schools are not effectively covered with proper materials then, I think, they should be provided with different curricula.

We have been discussing with the Association of Universities and Colleges -- and I think it is now possibly a certainty of the idea of a joint commission to investigate precisely this matter in Canadian universities, that is, to what extent do Canadian university curricula in the arts, humanities and social sciences affect the Canadian experience and we think that in that type of approach you would get a desirable curricula and from that curricula will come certain choices, both as to those who teach and as to which kind of textbooks they use.

Thirdly, we very tentatively suggest, and we underline this is not a matter of research on our part, it is merely an idea that we are forwarding to you, that it might be worth while to consider in conjunction with the Canadian Library Association some kind of mechanism for the joint purchase of books by Ontario university librarians to attempt to get around some of the problems that have been raised in terms of university library purchases.

Finally, we suggest again -- it is really more research rather than an answer, the problems of copyright and particularly the

reproduction of material from university libraries.

That, essentially, is our brief.

THE CHAIRMAN: You may have been here earlier, and perhaps you were, to hear one or two remarks about the reception by the federal government of our recommendations at least. You had given us as of May 4th the brief which you had given to the Government of Canada. Did you present this brief to someone in the federal government eyeball to eyeball, or how did you do it?

DR. SAVAGE: We have not done that yet.

THE CHAIRMAN: Do you think you will ever be able to do it?

DR. SAVAGE: Yes, I think so, they promised an eyeball to eyeball confrontation.

THE CHAIRMAN: Well, who promised this to you?

DR. SAVAGE: As much as I dislike to give names --

THE CHAIRMAN: Well, go ahead, it is a free country,we are not the Gestapo here.

DR. SAVAGE: The Executive Assistant to the Minister concerned --

THE CHAIRMAN: That is Mr. Pelletier?

DR. SAVAGE: No, Mr. Stanbury. He is arranging for an approach to Mr. Pelletier and the reason we have not yet seen him, I think, is

because I have been on holidays and am off until June 16th. So, I don't think any criticism could be levelled against the government for not seeing us.

THE CHAIRMAN: Oh, we would never do that.

MR. CAMP: You are obviously optimistic about there being some assistance forthcoming to the publishing industry from the federal government.

THE CHAIRMAN: Are you optimistic about it?

DR. SAVAGE: I was until the Quebec regulations came in and it may be --

THE CHAIRMAN: Are you talking about the Quebec regulations which make provisions for grants to students in the sums of 650 to Quebec and 49 to Ontario, is that what you are talking about?

DR. SAVAGE: No, the regulation of the book industry and so on. I have not had an opportunity to discuss with our officials whether they think that pre-empts our position or not. If it does not -- prior to that it seemed to me they were fairly confident of doing something in this field.

THE CHAIRMAN: There is an old saying "bonne chance". What is a soft loan, please? I don't even know what a hard one is, what is a soft one?

DR. SAVAGE: According to the federal government officials we discussed this with, their definition of a soft loan is a low interest and a higher interest is a hard loan.

THE CHAIRMAN: Therefore, if that is where the definitions come from it must be a brand new one because it has never been invented as far as we are concerned.

Now, can we go on?

DR. JEANNERET: Pages 2, 3, 4 and 5 which I received as I came in, are your brief to Ottawa, is that right?

DR. SAVAGE: No, pages 1 to 5 is our brief to you --

DR. JEANNERET: Double spaced pages.

DR. SAVAGE: The double spaced brief is the brief to you and the single spaced one is the appendix which we sent to Ottawa and the appendix is our brief to the federal government.

DR. JEANNERET: We received your brief to us this morning. I have read it but I read it rather rapidly.

MR. CAMP: It is like an examination, you don't know what is in it until after you have discussed it.

DR. JEANNERET: I have a few questions in connection with the brief to the Government of Canada.

It seems to me on page 2 of that brief under (d) you are including textbook publishing, you do at some point there -- I don't see it at the moment --

DR. SAVAGE: At the moment the Canada Council does not give grants --

DR. JEANNERET: I am aware of that but that is my question. You do propose at some point there, the inclusion, I think, of textbook publishing in support or perhaps I inferred that possibly, and I presume you would agree that this will leave that whole area not looked after or at least incapable of being very definitely looked after for constitutional reasons?

DR. SAVAGE: We do point out in our brief to you on page 3, the top of page 3 -- this is the double spaced one -- that we recognize the constitutional problem and we suggest that can be met by the federal function as basically giving loans to book publishers of various kinds but that there are certain areas which clearly don't belong within their jurisdictinn and one of these areas seems to me to be the writing of school textbooks. We are talking about subsidy to authors of school texts and I think that kind of assistance would have to come from the provincial government because it flows from the curriculum.

DR. JEANNERET: On the top of page 3 of your federal brief you recommend;

1 " initiation, if need be, of
2 publication, translation ..."
3 It is the translation I want to talk about.
4 " ... or adaptation of works that
5 appear necessary to Canadian
6 education and culture at all levels
7 and in either language."
8 We have been on this question before. I want
9 to be sure, though, that you mean what you say
10 when you refer to "that appear necessary to
11 Canadian education and culture". That means
12 there has to be a valued judgment made before a
13 decision is made to support translation costs.
14 May I ask you what I was discussing
15 with Dr. Dunton earlier this morning, I don't
16 know if you were here, and previously: Surely
17 it would be better that the translation grant
18 be automatic for any work to be translated between
19 the two national languages provided that
20 competent publication in the other language is
21 assured in advance with the purpose of eliminating
22 from the decision to publish the factor of cost
23 related to translation.
24
25
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Surely you would agree with that. That eliminates the whole necessity of making value judgments which is exactly what happens otherwise and you have to decide, shall we, or shall we not subsidize somebody like Vallieres?

PROFESSOR McNAUGHT: I wonder if I might comment on that, Dr. Jeanneret? The question came up recently in a meeting of the Advisory Council of the Canada Studies Foundation of whether the subject project requiring funding should automatically be translated into French, in a project for use in the secondary schools and produced first in English. I am not sure that I can see value judgments in many of these areas can be avoided, except at the risk of almost staggering cost.

DR. JEANNERET: When you were including the cost of publication there, was publication offered in the other language without further subsidy?

PROFESSOR McNAUGHT: No.

DR. JEANNERET: If it were, that is my question. Assuming that adequate publication on a commercial basis, self-liquidating was offered in the other language, then should not the cost of translation be eliminated from the decision to publish?

PROFESSOR McNAUGHT: I see.

DR. JEANNERET: Then you eliminate this value judgment question. Your brief to us, on page 2 you are speaking on page 2 in the middle paragraph about the choice of textbooks in the schools;

"Textbooks flow from curricula, not the other way around."

And then you say:

"We suggest that if there is some feeling that the orientation of our school and university systems does not adequately reflect the Canadian experience, then the proper area of concern should be the curricula of these institutions."

Have you any comments or views to express -- you are a national body -- regarding the programs that the Ontario Institute for Studies in Education, insofar as they impinge on the curricular textbook development in secondary and elementary schools particularly, or would you prefer to keep off that subject?

DR. SAVAGE: I think this is because we do intend to make a survey of all of them through this joint commission with the A.E.C.C., which we hope will give hard facts. There has been a lot of discussion, what is and isn't taught in relation to the Canadian experience and I don't think anyone has really

done even just a basic inventory recently of what Canadian universities do teach in the humanities and social sciences in this country. I foresee this committee of inquiry as one of its first orders of business finding out these hard facts. Once we have those, we can then perhaps make decisions as to what can be done if there seem to be glaring holes in the curricula in these institutions.

MR. CAMP: Speaking of hard facts, the next sentence after what Dr. Jeanneret read:

"Textbooks flow from curricula, not the other way around."

Is that an ideal or a fact?

PROFESSOR McNAUGHT: I should say that that is probably a fact. Certainly it is a fact of the Ontario publishing houses who are engaged in publishing school textbooks.

MR. CAMP: I think it is a higher level than that.

PROFESSOR McNAUGHT: I think it is also a fact at the university level.

DR. JEANNERET: I think less true at the university level.

DR. SAVAGE: It depends exactly what we are talking about. It seems to me that if the Department of History of Sociology at a Canadian university decides that it is not, in fact, giving enough of its resources to the

study of Canada and therefore is willing to create courses in these areas, clearly the textbooks and library books are inter-related to these Canadian courses and, therefore, purchases will flow from that.

THE CHAIRMAN: Not necessarily created for that purpose.

PROFESSOR McNAUGHT: I think perhaps one could go that far. Maybe there is a semantic problem here because it flows from the secondary to university level what can be loosely called a textbook is not going to be called at the highschool level a textbook. Certainly agents from American branches and Canadian houses circulating in all university departments looking for authors for books for curricula, for particular course. They may be monographic in nature and less of a high school text, but books, in fact, are looked for by publishers to suit existing curricula, I think.

PROFESSOR MacLENNAN: Mr. Chairman, if I may put in my two cents worth on this, I believe it is fundamentally relevant that there are three fields where, which I think have been the most important ones. Sociology, political science and literature will, with the apparent salvation of McClelland and Stewart, which saves at least a Canadian library, I am at the moment not so concerned with Canadian literature because it is being translated now

all over the world. Sociology is something else.

I am going to be blunt here and say that the school of sociology in Chicago are inundated with people who and seem to assume that this is a science, which it isn't. My great friend, the head of the American Sociological Society, Professor George Holden of Harvard, told me they have so narrowed the field that they don't realize this is a vast cultural entity. I would say there are people such as the journalist and the businessman who know much of science. When these people come in here and when they adapt on the assumption that they have an infallible technique, conditions with a presupposition of their own conditions in a country quite different from theirs, the results are disastrous. We saw that -- I am able to say this -- Sir George Williams -- I saw that riot. That was largely caused by foreign interference. At my own university of McGill, I think there was only one Canadian involved in this whole thing and we know by this time, including the Baptistes. The Sociology Department was very deeply committed there and when I find these people coming straight off the boat and going into French Canada, not able to speak the language, and assume roughly that they are Nègres blancs d'Amerique, I think this is causing very, very great irritation among our schools.

Sociology should be a very, very necessary subject. I come from Cape Breton Island originally, and if anybody knows the Maritime Provinces like Mr. Camp does, the differences are all about. Meantime, they are coherent. Our black students are not black panthers. I had assumed from Jamaica our students have spent time finding out why the American black is so different from a Caribbean black. I end up this very briefly. I happened to be an observer for the World Philosophical Association meeting last year at the University of Montreal. The President of Ghana got up and said "We wish no more American social sciences to solve our racial problems in Ghana, because in Ghana we have no racial problems". I think it is vital that we should have areas where we can publish books written by Canadians in this field.

THE CHAIRMAN: Having enunciated the problem lucidly, and it is a problem I think troubles a good many Canadians, exactly as you have put it. I think many Canadians are not really aware of the problem in the way that you put it. I think this is one of the great concerns that many people have. We go around sort of blindly with our blinkers on and think the world is just the way it is here and that there are not any problems. How do you overcome this?

PROFESSOR MacLENNAN: We overcome that by making it possible for Canadians to approach this without having their qualifications previously determined by a man who graduates from the University of Chicago or Wisconsin. If he hasn't got a Ph.D. from these mightly institutions, then we have to do the same thing. I will tell you this, gentlemen. I think it is beyond any doubt that every single thing that has happened in the Province of Quebec recently was forecast in a novel called Boneur d'occasion published in 1945. A novelist is not a sociologist. He is a sociologist en avance, but apart from that, this business of getting a team of people into a place like Drummondville and spending eight years on the thing and find out afterwards that they are English employees because there is a river there and a dam and overpopulation in Quebec, the French working class and the straw boss and so forth, my God, you could find that out in an afternoon!

THE CHAIRMAN: You were waving your hand there vigorously. I think this is generated across the table.

DR. SAVAGE: I think there are two things that should happen simultaneously. One is, as I said before, we should find out what precisely is being taught in the universities, even in the universities themselves. I think

I can say that if the negotiations to set up such a joint investigatory committee as we envisage don't materialize, we will have to rely on ourselves and we know surely that such developments emerge from the profession itself and, first of all, there has to be adequate research and secondly, and perhaps more important, a commitment on the part of the profession to carry out the results of that particular inquiry.

THE CHAIRMAN: You are not inviting us to participate in this investigation, are you?

DR. SAVAGE: We are asking you to commend it as a worthwhile undertaking.

THE CHAIRMAN: You heard the old story of volunteers, haven't you? Who will volunteer to play the piano and he will have to go over and move it also?

DR. SAVAGE: At the same time there has to be the opportunity for Canadians to write textbooks in these fields and in this regard it seems to me the suggestion could be made concerning assistance to authors. The author of the textbook in biology here can tell you, perhaps, some horror stories about how undercapitalized the particular firms in this field happen to be in French Canada and the consequences of the author of the

circumstances. If it were possible for such firms to compete with foreign firms in terms of the kind of material they can put in textbooks, in terms of illustrations and that sort of thing, we would be in a happier situation. I think there are two bridges simultaneously that one has to approach, both from a matter of curricula and a matter of the ability of Canadian firms to produce Canadian textbooks.

MR. CAMP: May I just summarize what I take this discussion to mean, to come to? The study of social science and sociology the reason for the inadequacies is that there are now insufficient texts of Canadian content and the reason for that is the Canadian universities do not produce the scholarship or the scholars.

THE CHAIRMAN: Or that the judges of the scholarship are those that come from a particular place?

PROFESSOR MacLENNAN: That is the point I was making, they have not a chance. Professor Quillard is now perfectly able to go on.

PROFESSOR COUILLARD: It could be perhaps that the conditions for publication offer a possible potential to writers such as to invite writing.

MR. CAMP: Scholars are available but the publishing opportunities are not.

PROFESSOR COUILLARD: They are discouraged because we have to work under conditions which are not very good. This was referred to in the previous statement.

MR. CAMP: Have you the horror story for us?

PROFESSOR COUILLARD: Once stung you don't want to get stung twice. Well, for example, I was co-author on a book of biology, human biology and at the end of the venture I ended up doing the whole base lay-out, correcting proofs, because my fellow authors were not available. We did not have anything like a technician available. This took an awful lot of time and it took me into an area where I had very little competence.

MR. CAMP: Was it published?

PROFESSOR COUILLARD: Yes, it was

published.

MR. CAMP: By whom?

PROFESSOR QUILLARD: Possibly by my editor.

MR. CAMP: Well, if you can see him you can crucify him.

DR. JEANNERET: Did you have access to a French publisher?

PROFESSOR COUILLARD: Well, the usual thing is to take a French book and tie a couple of rings on it and call it a Canadian edition.

DR. SAVAGE: Professor Losique has published two studies in French literature and two novels and in the case of the studies in French literature there were publishing houses in Canada that were interested. In those cases it was not feasible, they didn't have financial resources to embark on this, so the book was published in Paris and brought to Canada from French sources.

PROFESSOR COUILLARD: In defence of the editors I must say we have a small market and the risks are very great.

MR. CAMP: May I ask if this was a university press that was publishing it?

PROFESSOR COUILLARD: Oh, no, a private editor. It was quite a gamble for him.

THE CHAIRMAN: Was he a Canadian publisher?

PROFESSOR COUILLARD: Yes, French Canadian from Montreal.

DR. JEANNERET: I know we are running short of time but you did take us into this question of library purchasing and obviously the Ontario college and university librarians have got to you in the last day or two. They haven't? Well, you anticipated a matter of very considerable discussion because of the importance that has been attached here by Canadian publishers to the lost library business especially at the university level and you propose a mechanism here which is very interesting and has to do with the obvious need for a greater co-ordination of purchasing for libraries which the librarians admitted to us but we did propose a new approach entirely which is under study.

We have convened a continuing conference between the Ontario university librarians and the publishers concerned and the object is to try out a little under-graduate openness in the matter of ordering and ask the librarians to expose these orders that they place and if they can be filled on the premises, so to speak, that is to say in Canada that it is so much in their interests to take those copies assuming reasonable competitiveness of price. We are working on that and we have a dialogue going. I think you should know that.

Beyond that I just wish to thank you

for the correspondence you have been in with us which I think has been helpful regarding research areas which we are pursuing in one way or another.

PROFESSOR McNAUGHT: May I raise on question which arises out of what Professor Quillard was saying? He was telling us something about textbooks. There are others who have to do with the ways in which any publishers and authors can be protected and their profitability in a sense guaranteed. We have not said very much at all, if anything, about loans, funding and the rest of it and subsidies but we have some other suggestions.

One of the perils for the Canada book that Professor Quillard is talking about is photocopying. The royalty is divided among the authors and the publisher can be cut down to practically nothing. If there are no regulations in university libraries and school libraries against photocopying, I realize that is a tangled problem and affects copyright but I can't see how it can possibly be avoided, how the Commission could avoid dealing with it, no matter how difficult.

THE CHAIRMAN: We intend to be involved in it.

DR. SAVAGE: Because Professor Quillard could point to a specific instance. He was recently informed that one of his secondary

school texts has been so extensively used in the province of Quebec, it has been photostatted so much that the profits to the publisher have gone to practically nil.

MR. CAMP: Is that a matter of record and correspondence in this regard?

PROFESSOR COUILLARD: Yes, I was informed that my royalties on sales were that low because of photocopying and that they had dwindled to almost nothing. It is impossible to find out the mechanisms which will prevent that.

THE CHAIRMAN: The mechanisms for most of these problems that are being cast in our direction and they are now becoming as long as this room, as far as problems are concerned, the mechanisms are always extremely interesting because there are any numbers of ways to treat with the problem.

For example, I was just remarking to my colleague, Dr. Jeanneret, that in terms of photocopying if you are looking for mechanics almost all the machines that are used are leased by one or two companies. If you are looking for mechanics you might be able to say -- I am not saying this is what you can say -- to this particular company, "You know, you can't let your machine be used for photocopying X or Y". It might be totally impractical but we don't know.

What you are saying to us is the enormous problem and we are responding yes, we know

it is an enormous problem.

MR. CAMP: Speaking of enormous problems, on page 3, I think it is in your federal brief, "the second criteria for soft loans" and I didn't want to take you any further to get some expression of opinion from you. I am a little surprised that you say that the second criterion would be profitability. I don't know as to whether in this industry, there is a question in my mind as to whether you could have such a policy that would be helpful which would encourage the publication of Canadian works of any kind if that were so high a criterion. Maybe I misunderstand what you mean by "profitability"?

DR. SAVAGE: Perhaps I have misled you by telling you one, two, three. We think the criteria should be considered of equal importance in the matter of content, and the matter of business management because it seems to us that if you rate the matter of profitability as criterion, then you may end up with the same problem as the Film Development Corporation whereby the most profitable films produced are, of course, pornography.

MR. CAMP: You may have misunderstood me but I was saying that I was surprised that you rated it so highly, especially a group such as yours. I would have rated it a good deal lower. I would not have attached the significance to profitability if you are talking about Canadian

publishing. I don't even know what profitability means and I think they have had so little experience with it that I don't think they know either, much less the government.

And then, good business management. One of the difficulties here, getting back to Dr. Jeanneret's discussion on another matter about translation, how you can get from the government body or how you can confer on them such powers. My Chairman says, "Oh, intelligence" whereby they have to make somewhat of a determinative judgment about business management. And the profit potential of a publishing enterprise. We discussed this the other day and it is probably true that some publishing houses have a track record but some other publishing house might well do with encouraging but they are relatively new and whatever track record they have is not that attractive but the difficulty of imposing this kind of criteria upon the government body seems to me calls for so many value judgments that you either have a very iniquitous arrangement or you end up subsidizing the houses that need it least.

PROFESSOR McNAUGHT: I don't think, Mr. Camp, it would be any more difficult than the mistakes in the decisions made and dozens are made with respect to the Canada Council, with respect to budgets and so on.

PROFESSOR COUILLARD: The judgments

made by the Canada Council are value judgments.

MR. CAMP: Take the Canada Council's ratio of awards to literature as compared with almost everything else. If one were interested in publishing one would wonder at their value judgment.

THE CHAIRMAN: You would probably get a better decision from a bank in that regard.

DR. SAVAGE: That is one of the reasons why we do suggest that perhaps all these functions could be incorporated in a separate body. Nevertheless, I think that the judgments made in terms of the terms of reference laid down are judgments which demand that they may be based on criteria which are highly contentious and I think the Canada Council has to make value judgments.

MR. CAMP: There is a whole field of publishing which the Canada Council can wash its hands of entirely which nevertheless is an essential part of Canadian publishing.

DR. SAVAGE: I don't think we disagree on that. I just suggest in the case of research grants, for instance, it has to make decisions on the merits of these projects and it seems that anybody who is given money on behalf of the federal government has got to either say everybody in the field gets the money under some kind of automatic formula or you have to make some kind of selective judgment. I would

suggest to you that the problem of the Film Development Corporation suggests the difficulties of not having any criteria based on content.

MR. CAMP: Someone made the remark to us that has lodged in my mind, that our Canadian pornography is better than somebody else's pornography and someone else has said you have to have trash to have M*A*S*H.

PROFESSOR MACLENNAN: I am only speaking for myself but I have the most profound distrust in government sponsors for the reason that it is obvious in the nature that they will spend more money than private corporations because they have more to spend and waste more. Nevertheless, if you have a good man in government you can get something done. I don't think this committee was made fully aware of what the position was in Canada 25 years ago.

If I was to tell you that 68,000 hardback covers of my novel earned $4,500 and 110,000 copies of Barometer Rising, most of it paperback, made $675, I was taxed on this because it was regarded as taxable as royalty like all royalties.

We had a man, who is now gone, whose name was Eaton, but he decided that writing was a profession and, therefore, we were able to get decent kinds of contracts. We had to fight like hell to get a separate Canadian contract. I was the guinea pig in both of those cases. The late Reverend Graham and my late first wife got up a contract that our Canadian publishers with the exception of Mr.John Gray at that time, all at that time, all except for Ryerson, threatened to blackball any Canadian writer if they demanded a separate Canadian contract, by God! This is what we have been up against. I am a pure individual and I don't think anything is as expensive as living but, on the other hand, where the hell else do you go? I mean to get the work out. I wish the world would stop being meant. I get letters from librarians, telling me, college librarians are afraid to speak out because -- for any Canadian textbooks -- because they might lose their job, because some huge American textbook firms, and as long as we have got American professors in there ---

THE CHAIRMAN: Do you have any record of those letters?

MR. MacLELLAN: I can't give you that but I cross my heart and hope to die.

THE CHAIRMAN: You have got a

large heart, obviously.

PROFESSOR MacLELLAN: No.

THE CHAIRMAN: This is the kind of thing we are interested in.

PROFESSOR MacLELLAN: We all know these are the realities. If anybody speaks up in this country, by God, he is supposed to be a traitor to Canada!

DR. JEANNERET: I know we are running out of time but I just want to ask one question that has been provoked here to get something on the record. You are talking about the period for soft loans and you think they should be available on the same terms to non-profit publishers, provided any profits are ploughed back into to the business and not used to subsidize other activities as may be the case with universities or ecclesiatical publishers.

As far as university publishers are concerned, of course, they normally try to plough back everything and more into the publishing, but if you are referring to the fact that at the University of Toronto, the scholarly publishing arm is required to generate all its funds from its publishing and related operations without assistance, direct or indirect, and also to subsidize to a substantial degree textbook distribution service on the campus at a discount to students for political reasons, then I am happy to put on the record that I agree

with you.

DR. SAVAGE: I think we do mean the university press should be a separate entity and should not be devoted to other things.

DR. JEANNERET: This is one I mentioned.

DR. SAVAGE: It seems ---

PROFESSOR McNAUGHT: I would agree with that.

DR. SAVAGE: Perhaps more particularly, in cases in the past in the Province of Quebec, where it was not clear whether the corporation was a separate entity in itself and involved the ploughing back of business or not.

DR. JEANNERET: I didn't think it meant Ryerson Press.

THE CHAIRMAN: My colleague, Mr. Camp, has suggested that because of the pressure of time and because of the -- what has been said and what is yet to be said in relation to your group that we might have the privilege of having you back with us again in the future. There are many other things to discuss. We might be in contact with you for an exchange. I might say -- this is a personal opinion -- that I must point out to you that you have indicated you are going to do this eyeball thing with Mr. Stanbury.

DR. SAVAGE: And Mr. Pelletier.

THE CHAIRMAN: On page 5 you say in section 8 you recommend:

"We recommend that on no account should such an agency be part of Information Canada since it is impossible to dispel the belief however unjust . . ." -- you might have added "just":

". . . in some sections of the community that Information Canada is the propaganda arm of the government."

I would not suggest how you should write your brief or how you should put it, but when speaking to Mr. Stanbury I would suggest you might be prepared to defend yourself for that type of statement you have made there.

We may see you afterwards. When you are there, do communicate to him for us that we, here in Ontario, are Canadians too and we are very much interested in our country and we are very much interested in the overall national aspect of the health of the book publishing industry. We are willing at any time in the interests of the country (not of any political party) to talk with him and cooperate with him to any extent they deem appropriate. So far it has been negligible on their side.

Thank you very much, gentlemen.

DR. SAVAGE: Thank you.

PROFESSOR McNAUGHT: Thank you.

PROFESSOR COUILLARD: Thank you.

PROFESSOR MacLENNAN: Thank you.

SUBMISSION OF THE BOOK AND PERIODICAL ACQUISITIONS LIMITED

THE CHAIRMAN: We have with us representatives of the Book and Periodical Acquisitions Limited, Mr. Barry Brawn, President and Mr. Roy Bowland, Director of Marketing.

Gentlemen, we have read your brief and you are undoubtedly aware. If you would like to hit the high points, we will talk to you about it.

MR. BRAWN: Mr. Chairman, we have in this brief attempted to avoid where possible those subjects that have been discussed widely at the outset of this Commission and those subjects which probably are more topical or controversial and get down to the very points that are at the heart of most of the agencies, publishers and particularly the librarians in Canada and that is the area of why vasts sums of money that are allocated to Canadian libraries are being spent outside

of this country. We have in this brief, to some extent, defended the Canadian librarians in their choice of sources of supply by pointing out the lack of expertise that has been demonstrated in building a vehicle which would be capable of handling those purchases if they were to be made within the boundaries of our country.

We have pointed out briefly in a succinct manner, what we feel would be necessary to build such a vehicle and we have also touched on the reasons we see for this vehicle not having been built or for people with sufficient entrepreneureal inclinations to press ahead with such a project when there has been a market of the size that we have been able to anticipate available.

We have attempted to put our brief very much on a business nature, feeling that you would probably be deluged with most of the areas of Canadian authorism, Canadian support and also some justification for the present agency system of business. We are prepared to support most of those -- all, as a matter of fact, of those points, covered with the factsin the case and examples.

I think that is in just a very brief manner what we have tried to do.

DR. JEANNERET: Just for clarification, you have nothing to do with

Pals, in spite of your name. You are a Canadian organization?

MR. BRAWN: 100 per cent Canadian owned and financed and operated.

DR. JEANNERET: Very, very roughly, how many Canadian libraries use your services on a more or less regular basis at the present time.

MR. BRAWN: We have at least 25 major libraries. These are the substantial ones.

THE CHAIRMAN: Do you operate under written contracts with these libraries?

MR. BRAWN: Not in every case. In the case of the largest we are doing more than just supplying books. We have memorandums of agreement.

DR. JEANNERET: I would ask this question and it is very important, although it may lead nowhere: When you buy around the exclusive Canadian agent, whom do you buy from?

MR. BRAWN: Non-Canadians.

DR. JEANNERET: In the case of the United States?

MR. BRAWN: Either directly from the publisher in the United States, because, in some cases they do not protect the Canadian agent as such, or we would buy from one of the large American jobbing institutions.

DR. JEANNERET: Through the

latter's Canadian office or in the States?

MR. BRAWN: In the States.

DR. JEANNERET: Yes. As far as buying direction from the original publisher is concerned, I wasn't speaking about those situations where they would supply to other than their Candian agent. To which do you attach the greater importance, availability of the book or the price or cost of the book?

MR. BRAWN: It would depend on which library we were doing business with. In some cases that price factor is very, very high in their mind and, in other cases it is the availability with lesser emphasis placed on the actual invoice of the book.

DR. JEANNERET: Where the price factor is extremely important it is necessary for a margin to be created between the price at which the Canadian agent would supply to the library and the price at which they will supply to you in order that you, in turn, will supply the library as a middle man, is that correct?

MR. BRAWN: I would like you to rephrase that question.

DR. JEANNERET: Put it this way: The price at which the Canadian agent might be prepared to supply to the library might be an acceptable price to the library, but you have to have a margin in addition, in order

to handle the order:

MR. BRAWN: That is right.

DR. JEANNERET: That would seem reasonable. Would you care to tell us, or file with us, if you prefer, what the margin normally has to be?

MR. BRAWN: It would have to be somewhere in the neighbourhood of 13 to 20 per cent, depending on the range.

DR. JEANNERET: Of the invoice value?

MR. BRAWN: Yes.

DR. JEANNERET: If it were not available, or were not satisfactory, you would presumably consider buying around if you could?

MR. BRAWN: If we are to use the terminology "buying around", we would rather buy direct from the source than lose the account, yes.

DR. JEANNERET: Or froma jobber in the United States, as you said.

MR. BRAWN: Correct.

DR. JEANNERET: Therefore, in order to negotiate the discount, the additional jobbers discount that you are seeking, you would presumably have to threaten to buy around?

MR. BRAWN: Not in every case.

DR. JEANNERET: I mean, as far as a regular operating basis is concerned?

THE CHAIRMAN: Not in every case. Is this a practice of yours to threaten to buy around at all?

MR. BRAWN: It is not a practice of ours. I have pointed out to a limited number of Canadian operations that in order for us to be economically competitive with those large U.S. jobbing sources who are infiltrating into Canada, it would be essential for us to buy on a basis that is competitive not only in price but in terms.

DR. JEANNERET: What creates the library demand for the books that you supply to the libraries?

MR. BRAWN: In some cases the actual book selection or choice of books is generated within the library.

DR. JEANNERET: How? I mean how do they know about you?

MR. BRAWN: In most cases -- you have to take that at the various levels, of course. You start it at the senior level of the university. There is a good proportion of those demands generated from the actual faculty. Reference is made within works that they are studying. I would say there is not a great emphasis at those levels to the actual direct sales or marketing content from the publishers' reviews or from the actual volumes themselves.

DR. JEANNERET: Do you service school libraries or do you seek to do so?

MR. BRAWN: We do so.

DR. JEANNERET: Where do you think their demand is generated?

MR. BRAWN: I will field that question. Mr. Bowland is more closely associated with that. In may cases from the actual salesmen going in.

DR. JEANNERET: What salesmen, your salesmen?

MR. BOWLAND: The publisher's

salesmen.

DR. JEANNERET: Then you might buy around, if the price is not right?

MR. BOWLAND: Yes.

DR. JEANNERET: Yours is purely a marketing decision but you are getting your business on the basis of market development by the publisher concerned?

MR. BOWLAND: Yes, except it must always be borne in mind that these school board libraries require far more than just the book. They require cataloguing, for instance.

DR. JEANNERET: But they don't know what they want to have catalogued until they know what they want to buy and they know what they want to buy because of efforts presumably that have been put forward normally by the so-called exclusive Canadian agent. If that Canadian agent is the publisher of Canadian books he needs that business, if he can earn it.

MR. BOWLAND: Correct.

DR. JEANNERET: And you are in a position to short-circuit the results of his labours and demand whatever margin you choose to demand or else you can buy around him and this defeats, insofar as he is a Canadian publisher, the interests of Canadian publishing or one of the sources of revenue for Canadian publishing. If he is not a Canadian publisher then, of course, this is of no great concern to us.

MR. BOWLAND: Quite right.

MR. BRAWN: I would like to point out that we are not buying Canadian works published in Canada outside of the country.

DR. JEANNERET: I am not talking about Canadian works. I am talking about the Canadian exclusive agent for foreign books who is a significant publisher of Canadian books and who is in trouble in his Canadian publishing and who needs the revenue of his total publishing business and more, I regret to say, or we would not be here.

MR. BRAWN: Is he not asking the Canadian library to pay a premium for their books in order to subsidize the Canadian publishing industry?

DR. JEANNERET: I asked that and you said that you needed the extra margin for your service.

THE CHAIRMAN: You also mentioned credit and it is credit that you are also looking for when you threaten to buy around. I don't know that that gives any kind of a competitive situation. It means that you want to defer payment of your accounts which is an entirely different matter and you want to use his credit. There is a vast difference between a competitive price which is a motive for buying around and the other threatening a Canadian publisher-agent for buying around in the event that you can't get credit

terms out of him that the normal trade does not provide.

MR. BRAWN: The point that has to be clearly brought forth here is that it is not a decision of the library as to whether they buy from us or buy from the jobber. It is not just that clear-cut. There are more economic considerations.

THE CHAIRMAN: You see, what is troubling us is that we were told by the Toronto Public Library representatives who came to give a brief that, in fact, did they buy around? No, they didn't buy around. We were pleased to hear that and they told us that you were their representatives -- and I assume that you are -- and that somehow they have the understanding that you will not buy around and we have subsequently, of course, been informed, as you are well aware, by at least one publisher-agent who is also a publisher that you have, in fact, been buying around and he has given his evidence to that effect in relation to his firm and also that you have said unless they are prepared to give you an extra-ordinary credit terms, you would continue to buy around. So, what has troubled us, of course, is the understanding that the Toronto Public Library organization has about your services and what, in fact, is going on.

Now, I daresay -- you can answer this if you wish -- that your fundamental problem as a

business organization relates to, as you outline in your brief, the fact that you are under-capitalized. Is that right?

MR. BRAWN: Correct.

THE CHAIRMAN: So, what you are attempting to do -- I am making no comment on this -- what you are attempting to do is, you are taking the extraordinary credit opportunities by buying around and in point of fact you are attempting to overcome this difficulty of under-capitalization in using someone else's credit. That is about it, isn't it?

MR. BRAWN: I take exception to two of the words you used, sir. I disagree. One of the words you used is that we are demanding extraordinary terms. Those terms are available from most publishers direct from the United States jobber. They are available, they are being used, they have been extended.

DR. JEANNERET: You are in a very powerful position to demand whatever terms you wish?

MR. BRAWN: I am not demanding these terms so that we can invest funds in some venture not related to Canadian pbblishing. We are merely turning around --

THE CHAIRMAN: You are probably demanding the terms because you can't keep your trade accounts paid up, is that not correct?

MR. BRAWN: Canadian institutions

are not noted for making prompt payments.

THE CHAIRMAN: The bank will give you banking credit if you are dealing with at least creditable institutions, I should think?

MR. BRAWN: We were recently declined an increased line of credit from a Canadian bank.

DR. JEANNERET: We are very anxious to define exactly the function in the distribution and in the supply chain. We are grateful to you for coming here. You are a jobber, you are a Canadian jobber, you are concerned about American jobbers, I think?

MR. BRAWN: I am concerned about the $100 million that is being spent by libraries to North American jobbers, yes.

DR. JEANNERET: We are concerned about the health of the Canadian publishing industry and if there were something that we could do that would cause that $100 million to be all spent with you, which is ridiculous, but supposing this could happen, as long as you didn't buy it through the accredited Canadian representatives we would have accomplished nothing for the publishing industry and it is the significant fact that you have the exclusive Canadian agent who, to a large extent, generates the demand for the books you handle. If he doesn't do it exclusively he does it largely, especially in certain areas. We are concerned for his prosperity

in the long-run under the present circumstances and we know that you have him in a position from which he can hardly extricate himself, that is to say, he either has to meet your demands or lose the business because you short-circuit him under certain circumstances abroad.

Now, if that is not accurate correct this.

MR. BRAWN: Based on the one letter that we all know is a matter of public record --

DR. JEANNERET: We don't need that letter to ask these questions.

MR. BRAWN: It is certainly a letter that I have been asked about by the head of Toronto public libraries, his concern as to whether he, in fact, made a false statement to the Commission when he was asked.

There are four firms in Canada that we are now dealing with, one of which is in financial difficulties and we were unable to obtain books of a major line for close to four months. Our customers will not stand for that sort of service. I would be prepared to make, as a matter of public record, the supporting letters that went with the one accusation that has been made against us. We have dealt and are dealing consistently with all of the large major Canadian houses.

DR. JEANNERET: Will you write to

us in confidence -- well, by "in confidence" I mean include the others involved in the correspondence -- a comment on the letter that we are speaking about? I think it is only fair that you have an opportunity to answer it.

THE CHAIRMAN: We have not put it in the record.

DR. JEANNERET: We have not put the letter in the record.

MR. BRAWN: Those people who have delegated us such as TPL are by and large interested in one facet, they want those books on the shelf as quickly and as efficiently as possible.

THE CHAIRMAN: But they are also concerned with other facets as well and they have told us at least they are concerned about the Canadian book publishing industry and its viability and their interest in Canada and they are using public funds so that their prime concern cannot just totally be a matter of money.

You see, I think what we are concerned about here is the fact that obviously you are performing a servicing function which is desirable in the interests of the libraries that exist. Our interest would be to examine that function with a view perhaps to making comments, both to yourselves and to the libraries which you serve as to how the viability of your firm might be enhanced and if you are having trouble getting a line of credit

you are no different from any other firm that I know of which is purely Canadian and involved in the publishing industry in one way or the other. And so, we are interested in seeing your service operate well. I think this is a fair approach.

On the other hand, we want to know that everyone is approaching this whole problem with the cards on the table. Frankly, I would like to see copies in confidence, if you will, of the letters of arrangement that you do have with the various libraries that you serve. Those that you have I would like to have a list, we would like to have a list of the libraries you serve and we would like to have copies of the written contracts which you have because we may some way or another be able to make recommendations which could be useful to you and to them in the areas of the credit that seems to be a substantial problem. So, if this can be done it might be a useful exercise.

We are not in this Commission involved in pursuing people or being critical or otherwise: we may get testy if we find difficult situations but we have avoided that so far. We want to help and this is our prime role, difficult as it may be. So, if you could let us have that I think we can probably maybe make some interesting comment without causing too much of a problem.

DR. JEANNERET: I might add I think if we have any prejudice, and we don't admit

to any, I think it is that we would like to see your type of firm succeed but not at the cost of Canadian book publishing directly or indirectly.

Just as a matter of information, are you successors to the late Claude Butler's organization?

MR. BRAWN: Yes.

DR. JEANNERET: It is a very interesting organization.

MR. BOWLAND: May I refer very briefly to the school library situation? We have attended school book fairs, and this type of thing. It is rather shocking the extent cataloguing of book selections. They are aware they can get them fully equipped through the U.S. sources.

DR. JEANNERET: That is what we are worried about, you doing the same thing, in effect.

MR. BOWLAND: No, we are not.

DR. JEANNERET: You know what we are referring to?

MR. BOWLAND: Yes. We have our own cataloguing division which is entirely our own.

THE CHAIRMAN: Thank you for being with us. We appreciate it very much.

MR. BOWLAND: Thank you very much, Mr. Chairman.

---Luncheon adjournment

---On resuming at 2:20 p.m.

SUBMISSION OF JOHN WILEY AND SONS CANADA LIMITED

THE CHAIRMAN: We have with us at this time, Mr. J.M. Vice, President of John Wiley and Sons Canada Limited, and Mr. P. Hurley, Sales Manager of that firm.

Gentlemen, thank you for being here with us today and for giving us a brief. We would appreciate your giving us the high points, if you will, and we will discuss it.

MR. VICE: Thank you. First of all I would like to thank the Commission for letting our company submit a brief and to appear before you.

Our company is one of those which has maintained the phrase used here earlier, "low profile". Low profile is a result of merely having existed in Canada for less than three years and only recently beginning to publish books. We don't believe, consequently, that we can be so brash as to make any significant recommendations such as you have already received from many other long-established publishers in this country.

Our brief begins by stating who we are and what our purpose in life is. We point out

that Wiley established in Canada 169 years after it opened its doors in the U.S., in order to improve our Canadian service and to publish Canadian texts for Canadian educational institutions. Beyond that we have few potentials.

Our recommendations are not terribly innovative or earth-shattering. We do believe approval for Circular 14 in manuscript form is not an unreasonable goal. We state our intention to support bolstering the Canadian jobber facets of our business. We indicate in our intuitive believe the healthy existence of small, independent publishers in Canada is a desirable thing. This belief may be influenced somewhat by the fact that in the U.S. our own company, despite its age, stands out as somewhat of a small independent publisher in its environment. We agree entirely that in many areas, particularly the social sciences, Canadian students should and must have available for study textbooks written and published in Canada. On the other hand, we also believe in some disciplines, such as mathematics and some of the pure sciences, students ought to have available the best possible books with no reference to their point of origin.

These, gentlemen, are the highlights of our brief brief. We will now attempt to answer any questions you may have.

DR. JEANNERET: I would like to thank you and I am sure the Chairman would, for coming before us because we felt that we should hear from firms such as your own, and that is why we extended the invitation.

I would like to comment and invite your comments on your own recommendation which I have commented on before, for pre-print, as you call it, approval for inclusion on Circular 14. I would begin by saying Supposing you didn't get it: What would you do?

MR. VICE: Dr. Jeanneret, I think ---

DR. JEANNERET: You would cut bait, wouldn't you?

MR. VICE: Perhaps, but I think it is implying that if we were not approved, the Department would tell the publisher what he needs to do for getting it approved.

DR. JEANNERET: Don't you feel ---

MR. VICE: The publisher and author could then make the amendments to make it suitable.

DR. JEANNERET: My experience would lead me to believe that if this procedure were adopted, there would be two or three changes in the complexion of Circular 14 and the procedures leading up to inclusion on it. One thing is, it would pay every irresponsible publisher and author to bring

in every bit of garbage there was to submit it to see if he could get past the procedure, and he wouldn't, of course. It would tend to bog the Department down in administrative supervision in a serious way.

Finally, those things that were approved -- they would be the good ones, no doubt -- I submit would not be produced as competitively and as well as materials that are being produced right now because they do compare with the best that is offered in the English-language publishing world.

I am not convinced myself, and I have indicated this a number of times, that the revised procedure which you recommend would necessarily work to the advantage of Canadian publishing internationally. There is no doubt that a compromise arrangement might be worked out where you could go to vanDyck or something like this, to get your clearance so you knew where you were, but if this meant a manuscript could be shoved in with promises of superb illustrating and excuses later about the pressures they were put under and unwillingness to admit they had compromised the quality and all the rest, this would not be in the interests of the level of publishing and I submit that where books were turned down and didn't make the grade that the only person being exploited there would be the author. This we have got to worry

ourselves about. Please disagree with me and comment on these points.

MR. VICE: I agree very much with the point you are making. I think it would be a question of setting standards, or if you like, I suppose one might say our proposal is really suggesting the standard be lowered slightly so that it would not have to go right to the late printing and binding but would perhaps be required to submit just prior to printing and binding. I presume one could say we would only consider at a certain point where it is obvious that the whole thing is ready for the compositor.

DR. JEANNERET: I pointed out previously that even the work that is turned down in Ontario may do extremely well some day somewhere else, provided it is published and it would be a shame if a procedure were adopted which led to its not being published. I am asking this. I am saying it, but I am asking it. Disagree with me if you care to.

MR. VICE: I think that is right, but I guess I am confident that in most cases at least when a manuscript is turned down the Department would say "We are rejecting this because . . .". The publisher and the author would then make it right, of course. That is an implied assumption in our submission.

DR. JEANNERET: We have been

told that the attitude in other provinces -- we wish it were not so and I don't say this by way of criticism of them at all -- there is kind of a "Banned in Boston" psychology there. I am not sure if failure to be approved in Ontario would work against the interest of a book elsewhere necessarily at all. "Banned in Ontario" might do well in British Columbia. I have known books to do this. I am not rejecting your point but I think it deserves very careful consideration from a number of standpoints and it is very easy to say they should approve in advance but you can see some of the dangers.

The only other question I have to ask is with regard to Circular 14. Just along what lines would you like to see Circular 14 develop in the future, both with respect to size, number of titles it contains, and with respect to the rules of eligibility for inclusion in it, the Canadian-authored, Canadian-manufactured editions? Develop it, if you will and also, do you think Circular 14 is getting too big? What would you like?

MR. VICE: I very definitely think it is getting too big. We have no quarrel with the present rules for entry onto Circular 14. I think this can work very much to the advantage of Canadian publishing industry and probably Ontario education. We have no quarrel with that side at all. I agree

with you, if that was your point, I agree that the Circular is getting much too big and there are many, many titles.

DR. JEANNERET: I didn't say it.

MR. VICE: We do believe it is getting much too big and unwieldy and whether it could be restricted to a certain number of titles by discipline, I am not sure, but this is something we would like to see.

THE CHAIRMAN: My concern, in relation to the reprint approval, I would like to bring to the discussion the same kind of depth that has previously been employed.

DR. JEANNERET: Look out for him when he says that!

THE CHAIRMAN: Would you agree that approval in advance kind of situation is one where you, as a publisher, seek the approval of the Department of Education in terms ofthe content and substance of the manuscript and not its production? In other words, what is in it, if that is what you are seeking?

MR. VICE: Yes, basically.

THE CHAIRMAN: Is your position, then, that if they approve the content and substance, it would be a minimal cost to you and the author, that the matter of manufacture can be against technical specifications laid down?

MR. VICE: Yes.

THE CHAIRMAN: No problem. Is it a

matter of value judgment in your opinion as to whether or not a manuscript is published in point of fact, but not accepted under Circular 14? It seems to be -- I will put it this way -- it seems to me there are two kinds of values to be applied. You may comment on it. One assessment you have to make is the cost to you in the event that the manuscript is brought to the point of manuscript but not approved and then not published or anything done with it. It is finished. You cut your losses and run. This is as against running up all your costs, running it into a print position, being rejected on Circular 14 and hope you will sell it elsewhere. Which of these two would you choose in the normal course of events? Which course of action or which is your normal course? Do I make myself clear on that?

MR. VICE: I am wondering if you are asking me which is the worst of two evils?

THE CHAIRMAN: Well, I hope neither one was that evil, but in any event, it seems to me this is the kind of choice you might have. Which is the worst of two evils? All right.

MR. VICE: I think the first is probably the worst.

MR. HURLEY: Would it not be

possible to consider any book which is considered for publication on Circular 14 in Ontario could also be marketed elsewhere and I am sure people in the editorial division would be considering this. If it was not considered in Ontario, whether it was in a manuscript form or finished form, a strong effort would be made to market it elsewhere. It would then not be dead if it were not approved for Circular 14.

THE CHAIRMAN: Well, I am somewhat at a loss. Which kind of direction do you think is best from the viewpoint of the publisher here?

MR. HURLEY: I would think obviously we are trying to cut the cost, the risk cost to the publisher which he lays out in establishing a book for the Ontario market, and if he goes the entire route he is printing large quantities and he has risked a great deal of capital.

On the other hand, if he is looking for outside sales, outside of Ontario, he may not be able to print such a large figure and if the approval or disapproval can be achieved at the stage where he has this amount of money the publisher will have a much better opportunity to be in a position to do something.

MR. VICE: I think the principle here is that we are concerned about the waste of resources, be it our own or the industry's as a whole. I have no idea how often this happens statistically but if it happens very often at all, I think it is quite a serious waste of resources.

DR. JEANNERET: Just let me pick this point up again if I may.

If the approval occurred, for argument's sake, at the Van Dyke stage you would not be asking us to recommend that the department approve an idea or a raw manuscript with promises of illustrations or even a manuscript with a few illustrations. I mean the illustrations are such an integral part of the textbook they should not be in it if they are not but they should be complete so if they are completed we could get to the Van Dyke stage and have an implied undertaking that if you are going to publish anyway you can make your run and save a vast amount of investment in inventory, that means you can cut your run. That means you would not be throwing it

out the window or putting it in the filing drawer for an indefinite period which may be the same as putting it in its grave. Don't you think that that would be perhaps the ideal point at which the decision should be made?

MR. VICE: If the department so ruled that they would approve that Van Dyke stage we would certainly welcome that.

THE CHAIRMAN: By what amount or percentage would this cut your risk?

MR. VICE: I am not sure, I would have to look into that but certainly considerably. I think it would be worth while.

DR. JEANNERET: Instead of making $25,000 you would make $5,000. You would lose money on them but you would be there trying to make those sell somewhere else, you have got them there?

MR. HURLEY: I think our Chairman mentioned exactly what we would like to see, the approval of the advance manuscript in Van Dyke form with definite standards laid down regarding the production of the book. This would be quite acceptable.

THE CHAIRMAN: So for a "pre-print" in your brief read "Van Dyke" also?

MR. VICE: Yes.

THE CHAIRMAN: Gentlemen, we appreciate your coming, it is most helpful and the Van Dyke is finally finished.

DR. JEANNERET: Give our regards to your President who is President of the American Association of Publishers at the moment, is he not?

MR. VICE: Yes. Thank you.

SUBMISSION OF CANADIAN ASSOCIATION OF SCHOOL ADMINISTRATORS

THE CHAIRMAN: We have with us now Mr. R.H. Wallace, the Executive Secretary of the Canadian Association of School Administrators. Mr. Wallace, if I read the letterhead correctly you have not come too far to be with us?

MR. WALLACE: That is quite right, I am right here.

THE CHAIRMAN: I wonder if you would explain to us before you start the brief, how it is you compiled it? You seem to have a cross-section of reports and responses from various provincial sections. I wonder if you would explain to us how it is that you went about it?

MR. WALLACE: Mr. Chairman, firstly I express our appreciation as an Association at the invitation to present the brief and have this opportunity to share in its consideration.

On receipt of the invitation I realized that the time was fairly brief in which to accomplish the expression of opinion in a fully

representative way from each of our 12 affiliated associations varying in membership at the present time from 416 on the part of the Ontario Association to 8 on the part of the newly formed Association of the Northwest Territories. It took a little time to secure approval from my executive by correspondence to proceed with the brief and then immediately I wrote to every one of our directors, every one of our executive members and all presidents and secretaries of our affiliated Associations. A copy of the memorandum sent for the purpose here, sir, can be filed if you would like to have it.

THE CHAIRMAN: If you would leave it with us at the conclusion, we would appreciate it.

MR. WALLACE: Now, as I indicate in, Mr. Chairman, the second paragraph of my memorandum which accompanied this submission of the brief, we did not succeed in getting a widely representative expression in an official sense of opinion from our affiliated Associations. Actually, as the brief indicates, only two formally expressed their views. Others wrote expressing their interest and stating that time, they felt, was lacking for sufficient research and other steps necessary to the presentation of the submission in the form that they would have liked to present it.

Consequently, the brief, as I am well

aware, must appear to be based on somewhat limited assessment of opinion. The two Associations and then representations from Mr. T.W. MacKenzie of Nova Scotia, our immediate Past President which comments are shown in page 2 of the brief, section 1. Mr. MacKenzie is Director of Inspection Services, Department of Education in Nova Scotia.

A submission from New Brunswick and recommendations are those of Mr. R.A. Ouellette, District Superintendent of Schools at Bathurst, New Brunswick and the Ontario submission is based upon a letter from a member of the Board of Directors very greatly interested, Mr. E.G. Higgins, formerly Superintendent of Public Schools, Sudbury, Ontario and now Superintendent of Development for the Sudbury District Board of Education.

We did our best, Mr. Chairman, to get a broader expression of views but what has been presented to the Commission has been apppoved by our executive and in my own view, based on my knowledge of the membership, and a view which I personally support based on my own experience in education, I think it might reasonably be regarded as a fairly representative expression of views despite the limited scale of investigation which I have had to explain.

Have I sufficiently answered your question?

THE CHAIRMAN: Yes, you have and you have been kind enough to explain the source of these comments and behind the sources obviously is a great wealth of experience in the educational field.

MR. WALLACE: Would it be of interest, Mr. Chairman, if I refer for two or three minutes to our Association as such?

THE CHAIRMAN: By all means, we would like to have that background.

MR. WALLACE: We shall this year have, I estimate -- returns are not complete -- a membership across Canada of 800 to 825. Our members are mainly members also of provincial, 11 provincial and 1 Territorial Association -- the latter I mentioned.

We have a number of directors which is now possible under our constitution. Our members occupy positions as school inspectors, area superintendents, assistant superintendents, directors of education and a considerable number, particularly in Ontario, in business administrative posts in education. The membership is very broadly representative of the supervisory and administrative fields of education across Canada.

To account for the 11 provincial and 1 Territorial Association I should mention that we have two Associations in Alberta, two in Manitoba, none in Quebec, although there are several direct members from that province.

It is of interest to mention that our annual convention or conference will be held in September at Montreal and that a great deal of interest is being displayed by our colleagues in Quebec.

In a general sense the Association, to summarize its statement of objectives, is devoted to the promotion of goodwill, friendship, understanding among school administrators throughout the country, to facilitate the growth of knowledge in educational administration, communication about administrative procedures, professional development of the members and taking advantage of opportunities such as this one to express before public bodies the views of the Association, as far as we can so express them on matters of broad educational interest to the country. Perhaps I should not take longer than that but that will give you some idea of the function of our Association.

We are planning now a new publications policy which I won't go into, but we are trying to improve our services.

THE CHAIRMAN: My colleague, Dr. Jeanneret, when you mentioned the Northwest Territories, suggested to me that I perhaps had slipped in not making some reaction to the Northwest Territories because of his knowledge that I have an association there. Can you tell me what response you did get from your inquiry from the Northwest Territories, if any?

MR. WALLACE: I didn't get any. I should say in defence of the N.W.T. that at the moment there is no member on our Board of Directors from the Territories. It is very hard to get a representative as he has to be elected by mail procedures and so on, but I know they are very much interested.

THE CHAIRMAN: I encourage you to pursue them.

MR. WALLACE: Thank you, I will.

DR. JEANNERET: If you don't, this gentleman will.

MR. WALLACE: Mr. E.C. Gillie, the Director of Education is very much interested and Mr. W.G. Devitt.

DR. JEANNERET: I wanted to say I couldn't help but be sympathetic but still a little worried by the fact that it was Ontario that recommended or observed that education costs could be substantially reduced and national identity could be greatly enhanced. If at the beginning of meeting the problem of fragmentation agreement were reached on a common denominator basic program from kindergarten and for kindergarten primary grades, this would significantly reduce the risks and greatly reduce the market for publishers producing textbooks at this level and, of course, one can only say amen to that and so on, right up through the whole spectrum.

But the fact that the recommendation

comes from Ontario won't add to its momentum, I am afraid, I regret, and as I said with regard to the previous brief there is a "Banned in Boston" type of psychology that comes into play here. Do you see any mechanism whereby this trend could be encouraged? Is it through your Association or through the CEA or in the Council of Ministers or in some other way?

MR. WALLACE: I have been thinking about this, Dr. Jeanneret. What first came to mind was the Council of Ministers thinking of their position from the Legislative and regulations point of view. This, of course, has not been discussed with my executives and I can merely enter into it in a personal way.

They have seen this, but they have made no express comment.

DR. JEANNERET: It is pretty hard to visualize an instrument whereby this would be brought about.

MR. WALLACE: I would think our own association, on account of the type of position held by its members on the average, would be unwilling to assist in inquiring or compiling of information from a standpoint of the basis on which something like this might be attempted. The CEA might be interested, although I am not at the moment sure they would be equally interested in this particular field, but certainly I don't exclude them, as a possible source of information in the matter.

DR. JEANNERET: Your brief is so brief and so clear that I have no other questions.

THE CHAIRMAN: Well, we were concerned about the recommendation number 1, the second paragraph, and we wondered if it was meant that at present there was no condition as to whether authors who receive Canada Council awards have their works published by Canadian or American firms. Does the fact the Canada Council -- they may be concerned about it but they have not approached this kind of condition. Is that what you are saying?

MR. WALLACE: I am simply quoting there the comment of Mr. Higgins virtually. That is his view. I wish I were better equipped to express a view on that first-hand. I know he has been greatly interested, sir, and probably has made some inquiries.

THE CHAIRMAN: Well, Mr. Wallace, we appreciate this brief. It is one of the few that has had the broad cross section within the framework of the national fabric in this way and it has been most helpful to us. Will you communicate to those who did respond to your inquiry, that we are appreciative as a Commission for their views and, as I say, we appreciate very much your coming to talk with us.

MR. WALLACE: Thank you, sir, very much. I will be glad to do as you suggest.

SUBMISSION OF THE CANADIAN ASSOCIATION OF PRINCIPALS OF INDEPENDENT SCHOOLS FOR GIRLS

THE CHAIRMAN: We have representatives with us at this time, just a slight bit early, which is not our practice. They are representatives of the Canadian Association of Principals of

Schools for Girls. We have Miss Steele, who is the principal of Havergal and Miss Perkin, who is the Secretary of the organization.

Are you with the organization, Miss Perkin?

MISS PERKIN: I am the principal of St. Clements School.

THE CHAIRMAN: We know you ladies are looking to the back to see if those who actually cast the brief are here. In any event, I am sure you read it and even if you haven't read it you will be able to speak to the points that are in it, in any event.

I wonder if, under the circumstances -- you have read the brief, I take it, and you are aware of the contents. We will not necessarily ask you whether you agree with the contents, but in any event, perhaps we can ask you some questions about it. How would that be?

MISS PERKIN: Yes.

DR. JEANNERET: Really, I thought it was a very clear brief. It didn't provoke many questions from me. The footnote on page 3 I notice is based on a 50 per cent sample and it could be misleading in that it is counting publishing firms and gives the impression of much greater weight of American publishers, I think -- Canadian publishers I should say -- it is true, if you

analyse the number of books they have produced. I just make that as an observation. I would be glad to know whether or not your Association publishes some kind of a newsletter or has some other means of coordinating the views of so obviously representative an association as this.

We welcome views from bodies such as the previous one, which are able to poll a far-flung group and you have done this. How do you coordinate this information? Do you send out questionnaires, or something?

MISS STEELE: In this case we ask a small committee to prepare a brief, submit it to each individual school and each school head, then, in a few days, read it and returned it to the Committee. This was done. It was simply because we had not enough time to sit down together and thresh it out.

DR. JEANNERET: One other questions -- you are very perceptive, I think, in your comments on the form that grants might take and the kind of financial assistance that might properly be offered. You say:

> "Financial assistance that served merely to cushion the effects of poor judgement or inefficiency would only encourage irresponsible publishing."

I think that is probably very true. Do you mean

by this that a firm should be self-liquidating and profitable indeed in order to receive any support at all, or would you expect the grant to make it so? How far would you go in a grant formula, how would you apply it? You mention certain mechanisms, but would you -- I will put it rather more specifically: One of the dilemmas that we face, I think, is that a number of the purely Canadian publishers, the very new ones in particular, are exclusively devoting their energies to publishing fiction and poetry, some non-fiction. These tend to be areas which are the older established publishers have approved will never pay their way. You can't break out from this. Should they be encouraged to pursue this or should they be encouraged to broaden out into other fields, like school book publishing in order to receive assistance at all? What are your views?

THE CHAIRMAN: Perhaps I can even extend it a little further. I don't mean to mar Dr. Jeanneret's question. If there were to be subsidies, or rather grants, do you think the grant should apply to a publisher who, having created a work, whether poetry or fiction or otherwise, or that it should be a grant which applies to his general operation? Should it apply to the creation of a work so that when the work is, in fact, published,---

MISS STEELE: I think the latter.

THE CHAIRMAN: Title substance. Should there be matching grants, if you will, to the authors, or does one assume if one grants to the publisher that the grant will sort of filter through to the authors?

MISS STEELE: I would expect the publisher would expect to handle the grant. Whether it would have to be earmarked or a portion of it for the author, I don't know. I think the author certainly should be entitled to something.

DR. JEANNERET: Do you feel a need in your particular -- the Sisters are supposed to be here.

MISS STEELE: Will you join us?

THE CHAIRMAN: We apologize, we started a little earlier and you are right on time.

DR. JEANNERET: The other question was going to be, in case of an educational institution, do you generally find all your curricula needs, as far as text books and reference books are concerned, adequately filled by existing programs and books that are used in public school systems generally, or do you feel that there are areas where you wish specialized types of books suited for your needs and in particular to be developed by Canadian authors, produced here? Have you any feelings on this subject at all?

I just want to check that there isn't a deeply-felt want here that we didn't hear about.

MISS STEELE: We find in the area of foreign languages, especially in Spanish, it is very difficult to get the kinds of publications we need. Spanish is so widely spoken in this hemisphere, it seems an anomoly.

DR. JEANNERET: Nobody has pointed that out before. I am glad you have made a note of that.

MR. CAMP: For the record, as we so often say here, I assume schools of the character that you represent, are bound by Circular 14?

MISS STEELE: Yes.

MR. CAMP: In other words, the texts you purchase for the instruction in your schools have to be from the approved list of the government of Ontario?

MISS STEELE: They should be. We supplement them and use alternates as well.

MR. CAMP: You can do that independently?

MISS PERKIN: Yes.

MISS STEELE: Yes.

MR. CAMP: So I really understand what the answer is here, are you bound by Circular 14 in supplying texts -- let me put the

question another way -- the Chairman is helping us. Do you receive grants from the Department of Education?

MISS STEELE: No.

MR. CAMP: None? Do you have an library grants?

MISS STEELE: No.

MR. CAMP: In other words, the answer must be you are not bound by circular 14 but you use it as a guide?

MISS STEELE: That is right. We are bound by inspection by the Ontario Department of Education and our diplomas and certificates are given after satisfactory inspection. The inspectors like to see the textbooks we use as well as other things.

MISS PERKIN: We find we generally use the books that are recommended on Circular 14, but if we wanted to use anything in particular that wasn't on Circular 14, the inspectors usually feel, as long as it is something they know and approve of, then it is all right.

DR. JEANNERET: I believe your inspectors say your recommendations would be accepted?

MISS STEELE: Right.

MISS PERKIN: That is right.

MR. CAMP: To you pursue the library situation, the books that you purchase,

I am sure all the schools represented here have libraries. How do you stock the libraries? Do you stock it out of a grant from your own funds or these alumni, or what?

THE CHAIRMAN: They solicit alumni, I can tell you that.

MR. CAMP: But just for library supplies?

MISS. PERKIN: Our library is very new. When I first arrive at St. Clements last September there was no library actually within the school. They had always used a small public library which happened to be very conveniently situated on the opposite side of the road, but I feel every school should have its own library and this is being given entirely by the alumni and setting up a library is a big project for any organization.

MISS STEELE: I should say our library is largely paid for by the fees of the current pupils although the alumni contribute to it.

MR. CAMP: May I ask you, do you have an annual budget for library purchases?

MISS STEELE: Yes, we do.

MR. CAMP: When you purchase any of those books do you give any particular preference to Canadian works, or what is the consideration by which you decide? I take it the budget wouldn't be enough.

MISS STEELE: It isn't.

MR. CAMP: So you exercise some discretion. Could you give us an idea of the priorities?

MISS STEELE: We try to have a general library coverage, general reading library as well as the specific reference books, history, geography and so on, so there are no priorities. We simply keep adding and keep as much up to date as we can.

MR. CAMP: There would be no special emphasis, then, Miss Steele, on Canadian works?

MISS STEELE: No.

THE CHAIRMAN: Do you ladies find that in the text or library books that do come into your possession that there is any kind of a form overtone that is bothersome to you or do you find that there is a definite, positive Canadian approach in the material that your students have in the form of textbooks, or can you respond to this?

SISTER BENEDETTA: I think our main conern is with some of the history texts that come from the States. They have an American overtone and we feel that there is a certain bias and particularly if you use any supplementary reading material in the primary and secondary grades. We have used one set of books which are American publications but they are very much local American.

THE CHAIRMAN: Why would you use those books? Is it that there is nothing that is satisfactory from a text point of view that is available of Canadian origin?

SISTER BENEDETTA: Well, when the school was in Toronto we had one of our primary teachers examine most of the books for teaching and reading im grades 1, 2 and 3 and this particular teacher felt at that time that the best set was one published in the States.

We used it for a certain length of time. We don't use it now.

THE CHAIRMAN: I noted on page 3 of the brief certain statistical references. You say:

" It is our opinion that the American companies that own 35 per cent of Canadian publishing companies and the English companies that own 13 per cent ..."

We have been hearing statements to the effect in textbook publishing in Canada in relation to the textbook area that we are now in a position where approximately 90 per cent of the textbooks published in Canada are published by firms that are foreign-controlled. I wondered if that was in any way consistent with the statistics that you were able to find, or where did you find these particular statistics, do you know?

SISTER RUTH HELEN: The statistics were taken from the Canadian Book Industry which I don't think was textbook publishing exclusively. I think it is general publishing.

THE CHAIRMAN: I have noted too that you have made a recommendation that the government could perhaps give a very useful service by setting up government book stores in major foreign cities to sell Canadian books. I take it that that sort of recommendation would apply to the federal government if we were to

try to make recommendations to them?

SISTER RUTH HELEN: Yes.

THE CHAIRMAN: I think the federal government is setting up government book stores and selling its own products in major Canadian cities already.

Ladies, we appreciate very much having heard the brief and having you come here to talk about the situation. We are very concerned about all the issues that you have raised and find your comments very helpful. As you can see, we have a long way to go and although we sometimes ascend or descend, we come up with opinions in the middle of things. We do appreciate your coming very, very much indeed, thank you.

SUBMISSION OF UNIVERSITY OF WESTERN ONTARIO
FACULTY OF LAW

THE CHAIRMAN: Now, we have with us Mr. B.J. Arnold, Assistant Professor at the University of Western Ontario, Faculty of Law and I believe, Professor Arnold, that you are speaking in a personal capacity to us today. I wonder if you would be kind enough to speak to us about what you consider to be the high points of your brief and we can discuss it with you?

PROFESSOR ARNOLD: Thank you very

much. I would like to apologize, if I might, for the tardiness with which my brief was submitted to you. It was prepared under considerable time pressure and I apologize for it.

THE CHAIRMAN: Then, you are performing in the same way that the rest of us perform, when it has to be done under time pressure.

MR. ARNOLD: That is right.

THE CHAIRMAN: But the quality does not indicate that you were under time pressure.

MR. ARNOLD: I also apologize for the lack of footnotes but once again the time pressure explains the lack of documentation.

If I might just make a few comments to set out my position, it seems to me that on an economic cost-benefit analysis of foreign direct investment in both the Canadian book publishing industry and in the Canadian economy generally, that the result of such an analysis is that foreign direct investment is beneficial and it seems to me further that taking into account political, social and cultural costs of foreign direct investment in the publishing industry the same result applies, that is, that foreign-direct investment is beneficial.

DR. JEANNERET: Culturally?

PROFESSOR ARNOLD: Yes.

Now, I take from those two premises that restrictions on foreign ownership in the

Canadian book publishing industry can only be justified by reasons other than those applying to the book publishing industry; in other words, what I am saying is that restrictions on book publishing, restrictions on foreign ownership in the Canadian book publishing industry alone cannot be justified, that perhaps restrictions on foreign investment in the Canadian economy generally can be justified but not simply in the Canadian book publishing industry.

I think on page 11 of the brief I set out what I see as the two arguments which would justify restrictions on foreign investment in the Canadian economy and that includes the Canadian book publishing industry. It also seems to me that those arguments quite frankly are not entirely rational. It seems to me they make the very important assumption about the desirability of an independent Canadian nation. Those arguments, quite briefly, are that there is a trend towards economic integration of Canada and the United States but that that economic integration will lead to political integration.

THE CHAIRMAN: Do you think that is something to be welcomed and acceptable or something to be avoided?

PROFESSOR ARNOLD: In my opinion it is intolerable.

THE CHAIRMAN: Why do you say it is

intolerable?

PROFESSOR ARNOLD: Well, as I say, this is where I can't support things with rational arguments, as I said before. It assumes the desirability of an independent Canadian nation.

THE CHAIRMAN: Are you saying that this is irrational? That is not really what you are saying?

PROFESSOR ARNOLD: I am saying that there are definitely emotional factors involved in one's feelings for one's country and that it is very difficult to justify the existence of an independent Canada on the basis of rational arguments.

THE CHAIRMAN: I think the thing that is probably troubling me is that you can make arguments in relation to one's country which may not be totally logical because they are emotional but they are nevertheless rational. We are talking about words but --

PROFESSOR ARNOLD: It is a matter of semantics, I think.

THE CHAIRMAN: I think most of the arguments are rational but when you get into the area of nationalism which is mostly banked by the fires of emotionalism I don't think you can back your own arguments in the matter of rationality.

Do not let me interrupt your argument.

PROFESSOR ARNOLD: The second point seems to be that of the House of Commons' Standing Committee on External Affairs and National Defence that political integration is not a fear and that what Canadians have to fear is the degree of dependence upon the U.S., both economically and culturally and that as a result of this dependence independent political decisions by the Canadian government will be impossible. It seems to me that these two arguments justify restrictions on foreign ownership in the Canadian economy, broad restrictions on foreign ownership, not simply restrictions on foreign ownership in the Canadian publishing industry.

The difficulty with the argument is that it is probably true that broad restrictions such as I have suggested are impossible because of the lack of capital and it would be disastrous for most Canadians to exclude foreign ownership totally at this time.

As a result, it seems to me that the best approach is a selective one, that we restrict foreign ownership in those areas where we feel it is most essential. Once again it is very difficult to so logically support key sectors in which foreign ownership should be restricted. I suppose one factor is national security and that factor might justify the singling out of the communications industry as a

key sector.

I seem to suggest, I think, on page 12 of my brief that I agree with the 51 per cent requirement as suggested by the Standing Committee on External Affairs and National Defence. I don't support that recommendation. I think that what we are concerned with here is control and 49 per cent ownership in non-residents is certainly sufficient for effective control in most cases. I think probably a better approach would be restrictions such as those in the Bank Act and the Insurance and Trust and Loan Company Acts and the Provincial Trust and Loan Company Acts limiting individual ownership.

THE CHAIRMAN: And maximum holdings of 25 per cent?

PROFESSOR ARNOLD: As a group and individuals to 10 per cent.

THE CHAIRMAN: So that you have a maximum of 75 per cent in the hands of Canadian control?

PROFESSOR ARNOLD: That is right.

If I might move on now to the question of foreign ownership, it seems to me that probably the crucial problem with respect to the book publishing industry is not foreign ownership but foreign competition, the problem of imported books. It would not likely help the

Canadian publishers but restricting imported books would probably help. It also seems to me that it would be intolerable to put restrictions on the importation of books. The problem is, how can we promote Canadian authors, the publication of Canadian books and thereby the Canadian publishing industry?

Once again, I think one of the crucial assumptions here that I am making is, that there is a body of Canadian authors who deserve to be published and are not published because of the economics of publishing in Canada.

I suppose there are several ways to deal with this problem and one of them is the general subsidy, the low-interest, or forgiveable loan. The difficulty I see with such aproposal is that it will not achieve the purpose that I want to achieve, namely, the publication of Canadian books which at the present time are not published because they are unprofitable. I am not sure that a general subsidy to oublishing companies will achieve the publication of those books. I suppose the assumption behind such a proposal is that one's publishers are financially healthy and the subsidies should make them financially healthy, then these books to which I referred will be published. I think the assumption is perhaps questionable.

Another way to promote the Canadian book would be to have specific grants to publish books by Canadians. Whether this would work or not, I am not sure. Once again, I think it turns on the assumption that there are Canadian books worth publishing. I think the other suggestion that I make in my brief to the effect that non-bookstores should be required to display a certain minimum percentage of their books ---

MR. CAMP: What is a non-bookstore?

PROFESSOR. ARNOLD: We define a non-bookstore as any store which does not sell 75

per cent of their goods sold are not books.

MR. CAMP: That would be a newsstand?

MR. ARNOLD: It could be a newsstand, drugstore, department store.

DR. JEANNERET: Book department in a department store.

MR. ARNOLD: A book department in a department store might qualify.

There may be special definitional problems here. You may want to exclude that in the case of a sizeable book department in a department store. It seems to me that this suggestion makes a good deal of sense.

MR. CAMP: It would mean a form of restriction on book imports.

MR. ARNOLD: No.

MR. CAMP: No, it would mean a display given to other books and therefore the opportunity for promotion and other books. If you were to -- this has come up before but never with so useful a phrase that I am glad to have.

DR. JEANNERET: Chiefly in the mass market paperback area.

MR. CAMP: Is your preoccupation here with hardcovers?

MR. ARNOLD: I think it is with the paperbacks.

DR. JEANNERET: Mass market.

MR. ARNOLD: Yes. Certainly

what one of the effects will be is that fewer foreign books will be imported, but I think that is very different from a restriction on the importation of foreign books. In other words, those books are still accessible to Canadians in other bookstores, directly from the publisher.

THE CHAIRMAN: Do you think we should be concerned in what was are doing with distribution of paperback books in Canada -- in Ontario at least, how they are distributed and how they affect the publishing industry at large?

MR. ARNOLD; Yes, I think so.

THE CHAIRMAN: Do you think the ownership of that distribution would be worth looking at as well?

MR. ARNOLD: Yes.

THE CHAIRMAN: The chain back to some other place?

MR. ARNOLD: I think the arguments I made with respect to foreign ownership before apply equally to those distributors.

MR. CAMP: I am not sure what argument you made with regard to foreign ownership.

MR. ARNOLD: If I could repeat it once again, I think my position is that ---

THE CHAIRMAN: We would like you to come up with a position. Tell us what your position is. Put it right on the line.

MR. ARNOLD: Yes. Foreign

ownership should be restricted, but not just in the book publishing industry. That is my position. I think that restrictions in the book publishing industry without restrictions in other sectors of the Canadian economy, don't make any sense.

THE CHAIRMAN: On that basis would you recommend that the government of Canada forego the opportunity it has seized to limit and contain foreign investment in radio broadcasting, television, bankingand things of that kind?

MR. ARNOLD: I don't think that the restrictions, for instance, in the Bank Act, Insurance and Trust and Loan Company Act make a great deal of sense, isolated as they are.

THE CHAIRMAN: If they were not isolated, they would make sense?

MR. ARNOLD: That is right, because of the argument about economic dependence on the US or economic integration in the United States.

MR. CAMP: You say:

> "We must encourage Canadian authors and the publication of Canadian books but not to the point of excluding foreign books nor to the point of forcing those Canadian books on Canadians."

At the same time you say you have to take a certain kind of retail outlook and impose upon those retail outlets the necessity of stocking Canadian books to a certain percentage of the total inventory. Is that not the point of forcing Canadian books on Canadians? I am trying to establish basically what your premise is.

MR. ARNOLD: I don't think it is. What I mean by forcing Canadian books on Canadians is that you force Canadians to buy Canadian books. This simply, it seems to me, is a marketing device and it makes it easier for Canadians because of the economics of publishing Canadian books, even though Canadian books may be very deserving, because of the economics they are not purchased.

DR. JEANNERET: For that reason it follows there would be fewer such outlets in the future, because there is going to be a margin group going to lose money once you change th mix the way you have described it. It may be all right, but this has to follow.

MR. ARNOLD: I am not sure it does. It depends ---

DR. JEANNERET: You must finished saying you can't sell as many Canadian books. You are going to make them show Canadian books as a part of the proportion. Mix is going to be less and so you are not going to have so many

viable outlets.

MR. ARNOLD: That depends on the profit margin of the various outlets and the percentage requirements of Canadian books.

DR. JEANNERET: It goes on to a breakoff line and I say you will have a marginal group who will have to disappear.

I am not saying there is anything wrong with your idea, you understand. This will be the effect of it.

MR. ARNOLD: I am not sure. Especially when the display of books in these stores is not their major activity. I am not sure that ---

DR. JEANNERET: They are pretty short on the profit element in each of those outlets. It is all computerized.

MR. ARNOLD: Even if that is the case, I am not sure that it is a sacrifice we shouldn't make.

DR. JEANNERET: That is a fair statement now, yes.

THE CHAIRMAN: Have we left you finish your brief yet?

MR. ARNOLD: I think I have finished the points that I wanted to make.

MR. CAMP: The point you have just been on is perhaps as pertinent and significant as any to the extent at any rate there do not seem to be any simple remedial solutions

to the distribution of paperbacks in a market such as Canada. It assures some success to Canadian authors and Canadian publishing ventures. You are not an economist?

MR. ARNOLD: No, I am not, regrettably.

MR. CAMP: I want to take you back to page 14 and this analogy you have here and sometimes one strains to make the analogy and sometimes one is obliged to resist it and that is with regard to the content rule of the CRTC in terms of broadcasting. Are you suggesting in that that this is analogous to the Canadian publishing industry?

MR. ARNOLD: Yes, I am. I am willing to admit the analogy does not hold true completely. The microwave decision of the CRTC means that a number of Canadians don't have access to foreign TV.

MR. CAMP: Do you remember how long that CRTC ruling has been in effect now? as applied to content?

MR. ARNOLD: You mean the most recent?

MR. CAMP: As regards popular musical content. This is with regard to radio broadcasting, for example.

THE CHAIRMAN: I think if this is going to be applied you have to have a target to meet.

MR. ARNOLD: October of 1970 was the date for some and October 1971 for some.

MR. CAMP: It is now more or less in effect, then. Do you think that is true of the quality of Canadian music, or has it improved -- merely the Canadian content?

MR. ARNOLD: I am not sure.

MR. CAMP: Do you listen?

MR. ARNOLD: Not enough to be able to make a judgment. It seems to me what I understood at least about the CRTC's decision was that they had good evidence that there was this body of Canadian talent waiting to be heard.

MR. CAMP: So far they have discovered Gordon Lightfoot and Ann Murray, or rediscovered. Do you believe anybody else?

MR. ARNOLD: I am not sure -- number one, the fact that I don't know of anyone else I don't think means a great deal, because I don't know too much about Canadian entertainment. I don't know too much about the Canadian entertainment business but I think it is probably too soon to tell anyway.

MR. CAMP: As a Canadian in terms of this particular discussion here with reference to this point, would you subscribe to the view either in publishing or in broadcasting, that it would be better to have Canadian garbage than somebody else's garbage?

MR. ARNOLD: Yes. The reason

for that is that it seems to me that, you know, the great works, the great stars only develop when you have this great body of material as well that may be garbage.

MR. CAMP: I would not dispute that.

DR. JEANNERET: I thought your brief was an extremely well-reasoned one indeed and I took vigorous issue with only one idea, which I think is a very dangerous one. I think I will just comment on that and then stop.

On page 7 you have fallen into a trap that I once fell into and I feel everybody falls into when they first confront the manufacturing provisions of the United States Copyright Legislation. You say, in effect, that under certain circumstances:

> "A clause in the Copyright Act (that is the Canadian Copyright Act) withholding copyright protection to publishers who have their books manufactured outside Canada would effectively deal with this problem. There is a similar clause in the United States law."

In other words you say they do it to us so let's do it to them. It sounds pretty good and pretty pat, but it won't work and we cut our own throats and bleed to death immediately

if we try it. Let me show you why: Take the university field of book writing alone, textbook writing, reference book writing. There are hundreds and hundreds of Canadian authors who have published with American publishers, regrettably, American publishers and other foreign publishers, but chiefly American, and they sell on the average, I would estimate, 150 copies in Canada and a few thousand copies in the States or abroad. It is those few thousand copies that make publication feasible and without it, the book would not be published and if you do anything that would destroy their copyright in Canada you would only success in depriving them of the availability of a publisher.

I am talking about a very substantial portion of Canadian creative authorship. You would not get the Canadian publishers to say that is what they might do because regrettably the Canadian publisher at this stage in history has no access to that American market anyway. This is quite apart from the implications of the UCC, the Universal Copyright Convention. I think you could get around that if you were dealing just with your own nationals as the American have but I feel that the imbalance is such in broad activity in the market and so on that scale alone makes it impossible for us to break up the U.S. manufacturing clause by introducing similar clauses of our own.

Now, I say that after having studied it for a great deal of time. I think there are other ways that we can bring this about. We have to find some mechanism whereby it will pay the United States to eliminate those clauses as far as Canada is concerned and, I think, the solution is perhaps being found at this moment.

I submit that to you for any comment you wish to make but I just used the textbook illustration. I could use a lot of other illustrations too. Don't you feel that that is a danger?

PROFESSOR ARNOLD: I was not aware that there was this substantial number of

Canadian authors who were being published in the United States.

DR. JEANNERET: I forget what the figures are but I suppose McGraw-Hill has several hundred Canadian authors, one publisher.

PROFESSOR ARNOLD: Then I stand corrected.

DR. JEANNERET: I have nothing else. I didn't understand one thing you said at the bottom of page 7. You said:

> "... since foreign controlled publishers have a competitive advantage with respect to distributing the books published by their parent corporations."

You might explain that.

PROFESSOR ARNOLD: It seems to me that this is rather a picayune point and there is not much to be argued but I suppose it could be said that if you are a subsidiary of an American corporation then you can distribute the books of that parent corporation and that account is not subject to competition in Canada; in other words, the Canadian publishers don't have a chance to distribute those books. That is the argument, I don't think it is very significant.

DR. JEANNERET: As long as you don't hang a lot on it, I won't pursue it. I didn't quite follow it.

THE CHAIRMAN: Professor Arnold, which law school did you emerge from as a student?

PROFESSOR ARNOLD: Harvard.

THE CHAIRMAN: Any Canadian law school?

PROFESSOR ARNOLD: No, sir.

THE CHAIRMAN: Are you a Canadian or an American?

PROFESSOR ARNOLD: I am a Canadian.

THE CHAIRMAN: Are you a member of the Bar of Ontario?

PROFESSOR ARNOLD: No, I am not.

THE CHAIRMAN: Do you plan to be?

PROFESSOR ARNOLD: That is a matter of some impreciseness at the moment.

THE CHAIRMAN: I am interested because you said something about wishing you were an economist, or did you say you wished you were an economist?

PROFESSOR ARNOLD: I wished I had some more economic knowledge, yes.

THE CHAIRMAN: I take it that your degree out of Harvard relates to the law?

PROFESSOR ARNOLD: Yes.

THE CHAIRMAN: American law?

PROFESSOR ARNOLD: That is right.

THE CHAIRMAN: Which is another area, of course, which we won't get into. I,too,

found your brief to be very interesting and I wanted to ask you about certain parts of it.

On page 9 you talk about -- at the bottom of page 8:

" The United States Foreign Direct Investment Program would apply to any Canadian publishing company in which an American resident owned 10 per cent of the voting stock, but for a special exemption for Canada from the program. Since American balance of payments problems show few signs of improvement there is the distinct possibility that the program might be extended to include Canada. In that event, Canadian publishing companies controlled from the United States would in some circumstances be under an obligation to repatriate a part of their earnings. Since, as we shall see, the provision of needed capital is the most important benefit of foreign investment in the Canadian publishing industry, the extraterritorial application of an American law, which would make Canadian government policy meaningless, would be a serious impairment of the sovereignty of the government."

We heard just a few days ago that McGraw-Hill borrowed Canadian capital from a Canadian bank to buy Ryerson book publishing sector.

Since we are interested in economics and since I am a lawyer and know nothing about it, do you think that there might be some consideration given to some provision which might restrict foreign-controlled corporations from borrowing Canadian capital in Canada to finance the acquisition of a Canadian corporation?

In other words, if capital is going to be used to acquire Canadian corporations in Canada, could there not be usefully a provision which required that the capital for such acquisitions come from another country?

PROFESSOR ARNOLD: I suppose this would involve analysis of the benefits and so on of foreign investments and one of the benefits especially in the book publishing industry being the provision of needed capital. It doesn't worry me a great deal because it seems to me that they are still providing the capital and it is their ability to borrow in Canada that provides that capital and perhaps a Canadian publisher would not be able to borrow any.

THE CHAIRMAN: So, for this purpose you don't think it is relevant where the capital comes from, whether it comes from Canada or, for instance, from the United States, it doesn't matter one way or the other?

PROFESSOR ARNOLD: Not particularly.

THE CHAIRMAN: I wondered if you had any specific examples on page 10, because you referred a couple of times to the rather dismal performance of management in the Canadian publishing industry?

PROFESSOR ARNOLD: My research assistant told me you would ask me that.

THE CHAIRMAN: Because we don't know that we have found too much evidence of dismal performance of management. We have found management, of course, hampered by a lack of capital which we have just been talking about and other things and once that disappears it has a reflection on management and the ability of a company to keep viable but if your research assistant had anything in mind had he or she communicated to you the real terms?

PROFESSOR ARNOLD: I have no particular information with respect to the performance of management in the Canadian publishing industry and this is based on a few things, first of all --

THE CHAIRMAN: I am interested in having an example because you have just generalized and if you have any specific examples --

PROFESSOR ARNOLD: I can cite specific examples which I had to document and those were from a series of newspaper articles in the Winnipeg Free Press.

THE CHAIRMAN: Because of the nature of this particular Inquiry you might let us know what these are afterwards. There is no sense in relying upon the Winnipeg newspaper for evidence in this regard because we require something that might stand up otherwise. I wonder if we could move on on page 10 where you say:

"One must, at least, suspect that the motive underlying the publishers' request for restrictions on foreign ownership is a selfish, anti-competitive motive, especially when it is accompanied by a request for import restrictions."

Do you think there might also be another motive and that is survival at all?

PROFESSOR ARNOLD: Well, it seems to me that is exactly what I have said, if it is survival when you are inefficient it seems to me to be very selfish when the economy, after all, is governed by the laws of competition.

THE CHAIRMAN: So, in Canada, is it your theory that in Canada because we are in the presence of the large multi-national corporations in the United States who are competing against our national or locally-owned corporations that the law of the marketplace should prevail totally and, if so, is there any other alternative except for Canadian firms to be extinguished?

PROFESSOR ARNOLD: No, that is not what I am saying because after all I do go on to point out that there should be some kind of subsidies.

THE CHAIRMAN: The taxpayer should subsidize it?

PROFESSOR ARNOLD: It may be that the Canadian publishing companies simply cannot exist in the marketplace along with foreign publishers. I am not sure that that is the case. I think this is a matter for an economist. All I am saying is that I suspect when publishers ask for import restrictions and ask for restrictions on foreign ownership that the motive is not anti-competitive.

DR. JEANNERET: When did they ask for either of these items?

PROFESSOR ARNOLD: Well, it seems to me that I could refer you to the clippings in the newspaper, it seems to me it was in Ottawa there was some kind of a conference of book publishers and these requests were made to the federal government.

THE CHAIRMAN: I see. You say, "The government should be very cautious...". I take it here you mean the federal government.

"... should be very cautious not to encourage inefficiency in the publishing industry under the guise of restrictive foreign ownership."

Would you mind expanding on that statement?

PROFESSOR ARNOLD: There are constitutional problems involved here, and I am not fully informed. It seems to me that probably both governments have the authority under the constitution to regulate foreign ownership with respect to book publishing. Now, I may be wrong.

THE CHAIRMAN: On page 11 you say in the bottom paragraph:

" There can be no doubt that Canada is economically dependent on the United States."

I wondered if you could have put on the end of that sentence that "The United States' resource is dependent upon Canada"?

PROFESSOR ARNOLD: That may be, I am not sure what conclusion I draw from that.

THE CHAIRMAN: Well, maybe we will draw conclusions some day in this country but not today.

On page 14 you say:

" Regulations, for books similar to the Canadian content rules for radio and televison could take a number of forms. First, they could provide that Canadian publishers annually publish a certain minimum percentage of books written by Canadians."

I suppose once you start to put in regulations and the regulations are not met then you revoke the right to publish. In other words, are you talking about a licensing situation?

PROFESSOR ARNOLD: I am not sure how; this proposal seems to me to be ridiculous so I am not sure how it would work. I suppose it could work by a licensing arrangement.

THE CHAIRMAN: And finally, on page 16 you say:

"Many of the preceding suggestions for legislative action necessitate a definition of 'Canadian' and 'Canadian book'. A 'Canadian' should be defined as a Canadian citizen or resident and a 'Canadian book' as any book written by a Canadian citizen or resident."

I take it under the definition, therefore, of "Canadian" you say a "Canadian resident" then you therefore also mean a corporate resident of Canada that might be also foreign-controlled or a subsidiary of a foreign firm, bearing in mind from your legal background that a corporation is a person and can be resident or did you not have a corporate body in mind?

MR. ARNOLD: I wasn't just trying to think whether a corporation could write a book or not. I suppose that is possible.

THE CHAIRMAN: Indeed.

MR. ARNOLD: In that situation, what I was trying to do with respect to individuals was to find out as widely as possible.

THE CHAIRMAN: If you are confining it at this stage to a person writing a book, that is one thing, but you should qualify it, confining it to a person writing a book perhaps, but I thought you were also referring to what might be a Canadian publisher.

MR. ARNOLD: I wasn't there, no. I was referring to Canadian book.

THE CHAIRMAN: Thank you very much, Mr. Arnold, for coming and the effort that you and your research assistant have put into it. It is a very useful brief and I know we will all consider it.

DR. JEANNERET: I hope you get a good article out of it, as the University Press probably will.

THE CHAIRMAN: Put the footnotes on first.

MR. ARNOLD: Yes.

SUBMISSION OF MR. LOVAT DICKSON

THE CHAIRMAN: We have not with us Mr. Lovat Dickson, who is a private individual, a publisher and an author of some distinction. I wonder if you would touch on the high points of your brief and then we would appreciate being able to discuss it with you?

MR. DICKSON: Well, my brief is very brief and it represents a cry from a single casualty in the battle for books in Canada. It deals entirely with works of general literature and it relates my own experiences in attempting to start a publishing company and the obstruction this project met with in the discovery that Canadian rights in works to be published in Britain or the USA and that means to say all works written in the English language. These things are not separately negotiable, Canada being regarded by both Great Britain and the US as part of their territory. I think that this certainly can be explained historically as a phenomenon of our early growth, but I don't believe it can any longer be justified economically for three reasons which my brief enumerates: the change in the population factor here,

not only numerically but socially, the vast increase in the number of titles published in the U.S. and Britain, and the spectacular increase in cost; and the block this assumption imposes on free trade in books.

The recommendation my brief makes for dealing with this is to amend the Canadian Copyright Act to make the registration of copyright compulsory, such registration of copyright compulsory, such registration to offer in the first instance ad interim protection only for a period of three years, the full term of protection being dependent on Canadian manufacture.

If I might digress for a moment here, when I submitted this brief, I had not read the Economic Council of Canada's report on Intellectual and Industrial Property but that was brought to my attention by a publisher friend and I read it with extreme interest because I believe it supports the case that I make here and in one of the policy recommendations is that the principle enshrined in the Berne Convention and subsequently in the Canadian Copyright Act, the Copyright protection should commence automatically and without formality more or less upon publication. It was all right, it was a boon in the days when communications were slow and impecunious authors required protection, but today when communications are

swift and technology is advanced, compulsory registration of copyright could be copyright carried out internationally and the Economic Council of Canada's report suggest that if necessary Canada should be prepared to set an example in her own domestic system, if that would expedite matters. The advantages of such a system would have, to my mind, is that it would have an advantage in the first place to the Canadian public because the competitive bidding for Canadian rights would vitalize the stagnant process of importing-publishing practised here so largely and another fact this report brings out, of course, is that it results in books on an average being priced at 30 per cent higher in Canada than the equivalent published in New York and London.

In the second place, I believe it would reduce the number of books published in Canada without reducing the number available. All books are available to the Canadian public. They can buy them from the British bookseller in the Canadian bookshop. I think that the cost and trouble of registering copyright would help to screen out, not bad books but books for which practically no demand exists here but which nevertheless are imported and go through the process of being published and they clog the distributive system.

DR. JEANNERET: Foreign books,

that is.

MR. DICKSON: British and American books. I think in the third place this would lead inevitably to the gradual separation of the Canadian rights in a published work from the British and American rights. For it would not be worth the while of British or American publishers to swallow these rights when they could not in the end be certain of being able to exploit them.

Finally, it would enable the Canadian publisher owning these rights to protect them to some degree at least from the photocopiers, too lavish free use of them. This is an assumption, not a statement of fact, and it is based on the moral appeal that may be made against theft, or the moral appeal that may justify asking for the payment of a fee per page copied, when the problem is confined to 1000 books that are Canadian products, instead of fifty thousand imported from overseas sources.

Finally, my brief urges the setting up of a permanent advisory committee to act as a go-between in the relations between the Ontario government and publishers in this province, to deal with the constant stresses and strains bound to arise in the metamorphosis of of the industry from its present vassal state to the fully independent and financially secure one it is bound by the end of this decade

to become.

I think that summarizes my brief.

THE CHAIRMAN: Thank you.

DR. JEANNERET: Mr. Dickson, I know and respect tremendously your contribution to publishing for the House of Words, and in other ways, but in the field of copyright, I have three or four very vigorous disagreements to register, just for the sake of finding out whether you are wrong or I am wrong. Your suggestion that you uttered a moment ago that registration might be a requirement for foreign books in Ottawa would be a direct violation of the Universal Copyright Convention, repugnant to it. You are not allowed to have any such registration except for your own nationals. Am I not right?

MR. DICKSON: I thought that each nation subscribing to the Convention could, by statute, amend that Act.

DR. JEANNERET: With respect to its own nationals as the United States does. The United States is not allowed to require registration other than its own nationals, even the United States. We can check that.

You make a statement on page 2 that no new publisher in Canada can live by the sales of Canadian books alone. I think that is a very important observation to make and I would be glad if you would relate it to the

viability or otherwise of the large number of relatively small independent Canadian publishers from whom we have heard a lot in the course of these hearings. I am speaking about the small independent publishers who not only confine their operations to Canadian publishing but they confine their operations to Canadian fiction and poetry in some cases. Do you think they could make a go of it?

MR. DICKSON: I thought that the fact they survived at all was a miracle. We have beenhearing that at such hearings as I have attended. It is impossible to understand how they can survive.

DR. JEANNERET: I am encouraged to hear you say that because it is a question whether they are surviving or not.

MR. DICKSON: They certainly deserve credit.

DR. JEANNERET: I want to make sure I understand the formula you had in mind in forming your Canadian company or your proposed Canadian company. I am referring to page 2 in your brief. You said the key to your plan was the acquisition of separate Canadian rights of those British or American books that you selected for publication. Are you referring here to British or American books that already had been contracted to British or American publishers?

MR. DICKSON: Yes, not necessarily.

DR. JEANNERET: I don't understand quite how the Canadian market rights could be available. They would not be free. They would have been taken up.

MR. DICKSON: The Canadian rights reside in the contract of either one of them that manage to get them, but if all literary agents, you and the incorporated society of authors knew and everybody knew somebody could sign a contract for the Canadian rights, the author in making his contract with his publisher would exclude the Canadian rights.

DR. JEANNERET: I couldn't see any incentive to the foreign publisher to release the Canadian rights.

MR. DICKSON: There is no incentive. There is every incentive to hold on. I mean, that is what the trouble is. We have to provide the incentive.

THE CHAIRMAN: I wonder, in reading page 2, it is well set out and it may be that in quick fashion I have not been able to grasp the proposition that you are putting forward and with which you had difficulty. My reading of it related to your attempt with your own capital in forming your own company, I felt related to the acquisition of Canadian authors.

MR. DICKSON: Only partly.

THE CHAIRMAN: Did you acquire any Canadian authors and attempt to sell the rights in the U.K. and the U.S.?

MR. DICKSON: Yes.

THE CHAIRMAN: When you got there did they reverse it and say they were not only going to take the right, but buy the whole thing, is that the way it went?

MR. DICKSON: Yes.

THE CHAIRMAN: They would not deal with you unless they had the rights and a lease back?

MR. DICKSON: Perhaps I could make it clearer if I took an author, a name at random -- not an author that I had anything to do with at all, but I take it because the name means something. If I felt that there could be a good sale for Daphne DuMaurier's work in this country and I wanted to have half a dozen authors for a substantiality for my opening list and I went to her agent and said "I will contract the Canadian rights and pay in advance and pay the royalties on the Canadian list twice instead of the export price" ---

THE CHAIRMAN: You have the rights for protection of that author in a worldwide sense. You start off with that, from that author. You are in Canada and have got those rights and now you are going to go

elsewhere to spin off or sell?

MR. DICKSON: In the case of Daphne DuMaurier, she is already set up with an American and British ---

THE CHAIRMAN: Let us take someone ---

MR. DICKSON: If Margaret Mitchell, who wrote Gone with the Wind had been a Canadian and I discovered her book and I had the rights, I would say to the American and British publishers, "I am prepared to contract these rights to you or the author is prepared to contract these rights to you but the Canadian market is mine".

MR. CAMP: If she wrote the book in Canada for you, is that the hypothesis?

MR. DICKSON: No.

DR. JEANNERET: The scheme would work if you find Margaret Mitchell in Canada, I submit, but how could you get her if she is not in Canada?

MR. DICKSON: But what starts the wheels rolling are the British and American authors, they keep the wheels going.

MR. CAMP: As a Canadian publisher you would be signing on American authors or British authors, taking the rights to Canada and then trying to sell off the rights to the United States and Great Britain.

MR. DICKSON: Not selling off the rights because these established authors I have in mind are already contracted to British and American publishers and the Canadian rights are a subsidiary part of one of those contracts. My plan is to separate those contracts. If it is an English author then in future the author would not have British Commonwealth, including Canada, he would have the British Commonwealth excluding Canada and Lovat Dickson would have the contract for that.

I could manufacture separately depending on the potential sale.

THE CHAIRMAN: Mr. Camp and I are finding this rather difficult and we want to get it straight if we can and so if you would bear with me for a moment or two I will try to work from your paper and see where we wind up.

You say, in explaining your own instance,

" That is the quandary, and there seems only one way to solve it:

1 " to acquire the Canadian rights
2 in the work of a number of well-
3 established British and American writers
4 which would generate the cash flow
5 necessary to keep my business going
6 until I could find a sufficient
7 number of Canadian authors whose
8 work I could interest British and
9 American publishers in..."
10 Now, did you ever get to the point where you found
11 a sufficient number of Canadian authors?
12 MR. DICKSON: Yes, I did, at
13 the beginning at least but not enough to keep
14 the company going.
15 THE CHAIRMAN: There are two
16 things there. Did you in finding the Canadian
17 authors, having found them, they are in Canada
18 and you have the right, you negotiate with them
19 to get all of their rights on anything they are
20 going to produce and they have no contracts
21 anywhere else at all?
22 MR. DICKSON: In this particular
23 case.
24 THE CHAIRMAN: In this particular
25 case. Did you then take those rights to the
26 U.K. and say that you would sell the U.K. rights
27 to somebody in the U.K.?
28 MR. DICKSON: Yes, sir.
29 THE CHAIRMAN: What was the
30 response to that?

MR. DICKSON: The response was favourable.

THE CHAIRMAN: They would buy them?

MR. DICKSON: Yes.

THE CHAIRMAN: Did you take any of those rights to the United States and say that you would sell them?

MR. DICKSON: Yes, I did.

THE CHAIRMAN: What was the response?

MR. DICKSON: The response was moderately favourable. It was a matter of public demand for the particular work.

THE CHAIRMAN: They were willing to negotiate on that basis?

MR. DICKSON: Yes.

THE CHAIRMAN: So, what you are telling us is that the difficulty you found was that in relation to the first sector you wanted to find a number of well established British and American writers at the beginning and go and negotiate with those who owned their rights in the U.K. and the United States to get the Canadian rights, and that is where the thing collapsed and they would only lease them to you?

MR. DICKSON: They would only lease them at double the royalty. I thought that was clear in what I went on to say.

MR. CAMP: Yes, it is there, double royalty.

THE CHAIRMAN: Yes, about the tenth line from the bottom.

MR. CAMP: The reason being they didn't want to do so, they didn't want to disturb their agencies?

MR. DICKSON: Yes.

MR. CAMP: "Some saw this as a threat to their established markets", is that saying the same thing?

MR.DICKSON: Yes, it is. What I meant was that if a British publisher gives up Canada and then somebody in Australia gives up New Zealand he is only left with the United Kingdom.

THE CHAIRMAN: He is prepared to give it up to the United States?

MR. DICKSON: The British publisher usually doesn't have any United States rights.

THE CHAIRMAN: Even for his own authors in the U.K.?

MR. DICKSON: No. All I am asking is that the principle of separate negotiation, which is agreed perfectly between British and American publishers be extended to Canadian publishers.

DR. JEANNERET: It seems to me to depend when you get in there in this thing.

MR. DICKSON: You have to get in there at the proper time but that is possible.

MR. CAMP: In other words, the

relationship between American and British publishers is not the same as the relationship between Canadian and American publishers or Canadian and British publishers?

MR. DICKSON: I don't follow that.

MR. CAMP: Well, I thought I heard you say that all you wanted was the same relationship between Canadian and British publishers as existed between American and British publishers?

MR. DICKSON: Yes.

MR. CAMP: Is there any law against it? Why not?

MR. DICKSON: It is custom, not law, the custom that I am complaining about that these Canadian rights are automatically taken as part of the foreign publishers' territory.

MR. CAMP: If Mordecai Richler was published by McClelland & Stewart here, do you have any objection to him being published in the United States by another publisher?

MR. DICKSON: No.

DR. JEANNERET: This tends to be an author option.

MR. DICKSON: Yes.

THE CHAIRMAN: And it is a matter of negotiation between the author at the beginning and his ab initio publisher, as it were?

MR. DICKSON: Yes, I had a separate contract with the Macmillan Company of

Canada from the beginning but that is exceptional.

DR. JEANNERET: Mr. Dickson, on page 3 you are pointing to a weakness in the agency operation, that is, Canadian exclusive agency or the Canadian agency-publisher operation which has never been pointed to before. In the second paragraph you say:

" There are no profits in first printings as a rule. A publisher's profit comes from making good inventory."

And you go on to say that the publisher makes his profits in the second and third printings, that is very true. Then you point out that the Canadian agent does not have this advantage because he is working on a flat margin all the way and for him there is no second printing.

It seems to me that this disability, if it is a disability, is encountered in a very substantial way by the fact that the agent can make some profit if he only sells 30 copies, whereas the original publisher falls flat on his face and goes out of business if he does that very often?

MR. DICKSON: Yes.

DR. JEANNERET: Will you comment on this, Mr. Dickson?

MR. DICKSON: I will, with pleasure. Anyone who is content with selling 30 copies of a book should not be publishing.

DR. JEANNERET: I mean the agent makes some margin on 30 copies or 175 or whatever it may be?

MR. DICKSON: As I say in my brief, there are three principal operations that a publisher does, selecting the right manuscript, publishing it and doing it at the right price. He has no control over other matters.

DR. JEANNERET: It is dangerous to estimate but I would estimate that of all the tens and tens and tens of thousands of books in print that are represented in Canada by Canadian-publisher-agents that the average sale must be in the order of 100 copies?

MR. DICKSON: Yes. Well, I also make that point in my brief that even as late as 25 years ago this was the only possible thing and I don't want to appear to be saying that Canadian publishing has been wrong all through. Canadian publishing has done a magnificent job in making all these books available and an enormous stock is carried but it is getting beyond them now, there are too many books published and it gets worse and worse all the time and my attempt, when I formed my company which is still in existence, my attempt when I formed my company was to cut through that difficulty.

DR. JEANNERET: On page 5 you make some references to registration of copyright in the case of books imported into Canada and the UCC

should be registered like books manufactured here, the protection of the UCC should not like books manufactured here be required to register copyright at Ottawa.

MR. DICKSON: I have modified that.

DR. JEANNERET: Then we won't deal with that.

On the same page in the last paragraph you are making a recommendation, you are urging registration to provide an interim protection for a period, say, three years; a sufficient time for a publisher to enjoy protection for any book unlikely to sell more than a few hundred copies, and to give him time to consider manufacturing. I do feel here that such a provision would be completely repugnant to the Universal Copyright Convention unless you are referring only to a Canadian author's works, which I don't think you are?

MR. DICKSON: No.

DR. JEANNERET: Then, I think it would be repugnant to the Convention completely, I do believe.

THE CHAIRMAN: Not in the view of the Economic Council of Canada.

DR. JEANNERET: As far as the Economic Council's report is concerned, let me point out that your original scheme, if the Economic Council of Canada's report were implemented it would be blown all to pieces because they would

call for a rescinding of Sections 27 and 28 which are the only import protection that you can hope for and the result is that you could be bought around right across the board, and would be bought around.

MR. DICKSON: But the complaint about buying around which has been so vocal in these meetings exists anyhow in spite of Sections 27 and 28 of the Copyright Act. There are so many ways in which you can buy around, I mean so many legitimate ways that you can buy around and it goes on all the time.

DR. JEANNERET: It has the effect of an implement yes but the effect of the implementation of the Economic Council's report would be pretty well to destroy the agency system altogether?

MR. DICKSON: Yes, but something is bound to happen in the long-run. As the population increases it is bound to happen.

DR. JEANNERET: Well, we are in agreement but the proposals would be hard to implement?

MR. DICKSON: Yes.

DR. JEANNERET: You couldn't have such a thing as Canadian rights in a book and protect them in any way without Sections 27 and 28. There would be no such thing as a Canadian edition except physically but not from the standpoint of protection.

MR. DICKSON: You are a much greater

expert on copyrights than me.

DR.JEANNERET: But this doesn't prove anything other than that your approach would be doomed to failure if those recommendations were ever implemented?

THE CHAIRMAN: Well, as you indicated, Dr. Jeanneret is the expert in the copyright field.

DR. JEANNERET: Not at all, I am not trying to win a point here. But I want to make sure I am not missing something.

MR. DICKSON: I would like to be sure that I am not missing something too, but I thought that the Copyright Act which is now available from the Queen's Printer, reprinting, that you can apply for a licence to print a book to meet the reasonable demands of the public.

DR.JEANNERET: But you have to print that in Canada?

MR. DICKSON: In Canada, yes.

DR.JEANNERET: That is under 14.

MR. DICKSON: You see, your objection is on book that are imported.

DR. JEANNERET: You are going to have to depend on that. You said you were depending on run-off foreign edition to satisfy your Canadian market?

MR. DICKSON: Yes, I said all manufacturing depends on the potentiality that in 10, 15 or 20 years when the population will be

big enough to justify an entirely independent publishing industry as has happened in the Scandinavian countries.

THE CHAIRMAN: I only want to make one closing comment, Mr. Dickson, and I think you have made one remark that may ring a closing bell. You said,

> " His response is that of the automatic reflex, like nothing so much in this as Professor Pavlov's dog, who barked and licked his chops when the dinner bell was rung, even though surgery had removed his stomach."

And it sort of struck me that one of the functions we have been given on this Commission is to find the stomach and put it back in.

We appreciate very much your coming and we have enjoyed talking with you.

---Adjournment.

ONTARIO

ROYAL COMMISSION ON BOOK PUBLISHING

Mr. Richard Rohmer, Q.C.	Chairman
Dr. Marsh Jeanneret	Commissioner
Mr. Dalton Camp	Commissioner

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252 Bloor Street West, Toronto,
Ontario, June 4th, 1971.

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SUBMISSION OF

Mr. R.E. Saunders, Assistant Secretary	Ontario Secondary School Teachers' Federation
Mr. Paul Bolton, Vice-President and General Manager Mr. G.M. Bryson, Vice-President, School Division Mr. M.E. Croucher, Controller	Addison Wesley (Canada) Limited
Mr. Jack C. Fleming, President Mr. Wm. H.E. Belt, Vice-President, Publishing Mr. John A. Tory, Q.C., Director, The Thomson Organization Limited	Thomas Nelson & Sons (Canada)
Prof. J.N. Paton, University of Toronto Prof. T.B. Greenfield, President	Canadian Association of Professors of Education

Toronto, Ontario,
June 4, 1971.

--- The hearing commenced at 10.00 a.m.

THE CHAIRMAN: We have with us this morning Mr. R.E. Saunders, Assistant Secretary representing the Ontario Secondary School Teachers' Federation. Mr. Saunders, we have all been over your brief and would you touch on the high points of it, we would appreciate it. Would you also indicate to us, please, how it came about that this brief was assembled and the sources of opinion that were put forward?

SUBMISSION OF ONTARIO SECONDARY SCHOOL TEACHERS' FEDERATION

MR. SAUNDERS: I will answer the second question first and then attempt to make a resume of the brief, if I may. Thank you for the opportunity to appear.

THE CHAIRMAN: We appreciate your coming.

MR. SAUNDERS: The brief was written by myself. The opinions that come into it are, I suppose, part mine. The Provincial Executive of our organization asked me to prepare a brief. They read it over, they approved it as representing the opinions they thought of the majority of the secondary school teachers in the province.

My thinking is based in part upon

the experience of having gone through the writing of a textbook for J.M. Dent & Sons, not a Canadian publisher and by having a number of friends in the publishing industry. The major concern of the Secondary School Teachers' Federation as a group of teachers is that the best possible learning materials, curriculum materials, should be available for the schools in Ontario and indeed, in the schools in Canada.

We are also concerned that the materials that are used by students in the schools should bear a frame of reference which is Canadian. There is no point in using European texts or English texts or American texts which reflect a frame of reference which is not Canadian because the outlook of the students is bound to be conditioned by this, in our opinion.

We feel that the educational publishing industry is the industry which is in the most difficulty at present. It may be rather hard upon the trade publishing industry, the opinions which we have expressed on the bottom of page 1 that we anticipate that the Canadian trade publishing business will survive, not necessarily as a stable industry or even as continuously operating publishers so long as there are Canadian authors seeking to publish their work in Canada.

We feel, however, that the problem of the educational publisher is much greater than

the trade publisher in that to prepare material now requires a great deal of capital support. It is not just a simple matter of preparing a textbook anymore: it is necessary really to go into a full curriculum development for a program and that is costly for a publisher, it is very costly for anyone to undertake.

It is for this reason that we have made the second recommendation:

"That the Commission recommend that the Department of Education establish a curriculum materials development fund, monies from which might be given to publishers, teachers, teacher education institutions and others for the development of such materials. Money from the fund should be given to qualified groups under contract terms to develop and produce in pilot form such materials. The aim of such a fund would be to encourage the development of learning materials in those areas where the Canadian experience and identity should be reflected."

The public interest, I think, in Canada requires that we should have the best possible learning materials. We would feel too that it should be required that those materials reflect the Canadian identity and experience as I have said. We

are not so sure, we have no opinion on the question of whether this means that the government should support the publishing industry but we are very certain that if you distinguish between the development of curriculum materials and support of an industry that it is in the public interest that the government should ensure that the curriculum materials that are available are the best possible ones. This is why we have recommended this kind of approach to the problem rather than direct support to the publishing industry on which, as I say, we have no opinion.

If I may turn to the recommendations, I am told and my own personal experience would indicate there is some validity in this, that one of the heaviest tasks for educational publishers in Canada is promotion. The best approach to promoting materials is to send out sample copies to the heads of departments of high schools, to the people who are responsible for purchasing and selection of books and other materials.

Accordingly, for books in particular we recommend that the department undertake to assist publishers in this through purchase of sufficient copies for distribution to schools of books which are listed on Circular 14. On the basis of experience with secondary schools since there are 580 senior secondary schools, and more junior high schools plus a number of superintendents of curriculum and other such people

who should see copies of books for the secondary market, this means about 750 books as we have estimated in our brief.

The third recommendation is one which is both valid and redundant -- I am sorry, it is the fourth recommendation that I want to comment on right now. The Institute does publish some materials. It is our impression, both from the brief which they submitted to this Commission and from talking to people at the Institute that the Institute really doesn't really want to get into the business of publishing materials for schools. They would prefer to be a scholarly publishing Institute.

THE CHAIRMAN: What do they want to get into, did they tell you?

MR. SAUNDERS: I think they want to get into the market of the profession, books for teachers. There is a distinction here between books and materials you would use for classroom students and those for teachers and educators.

DR. JEANNERET: That was going to be one of my questions, Mr. Saunders. How do you relate that recommendation No. 4 to what is being done right now?

MR. SAUNDERS: The majority of the things [illegible] now catalogued I think you will notice this, are aimed at the profession. The OISE does publish some things, the perception bag, the

box on the Depression and a short thesis on Black feet Indians.

DR. JEANNERET: I read your recommendation No. 4 as though you were favouring insofar as textbook learning materials publishing by OISE and elbowing existing textbook publishers aside, how does that fit?

MR. SAUNDERS: I think if you would read the last line and a half you would see our point:

"... establish a publishing branch for the publication and distribution of learning materials developed by the Institute."

As I said, this is partly a redundant recommendation in that they do this now but it is our impression, rightly or wrongly, that they are somewhat unwilling to do this and we feel that it would be a very valuable stimulus to other people in trying to prepare materials if the Institute would make some commitment towards the publication of these materials.

DR. JEANNERET: Publication means distribution, doesn't it?

MR. SAUNDERS: Yes.

DR. JEANNERET: Well, if they enter that field they are entering one of the great fields of the educational publishers and rather than co-operating with existing educational publishers

and publishing through the existing mechanisms which are in so much trouble they go into competition with them. Isn't this going to lead to greater difficulties for the publishing industry, and, therefore, a reduction in their output for Canadian schools? This is a question.

MR. SAUNDERS: I think I would have to in turn ask you what kind of materials has the Institute produced so far -- perception bag, a box, experimental materials? Have you asked any of the publishers who have appeared before you previously and prior to this whether they have been approached by the Institute to market any of these materials?

DR. JEANNERET: This is right and to indicate that I had anticipated this question, I have a further question typed out right here, as I have said we have been told on more than one occasion that the curriculum research projects that the Ontario Institute for Studies in Education are generally speaking not being useful to educational publishing in this country. Would you I comment further on the relevancy you have found in these projects in relation to the curriculum needs?

My question was not intended to suggest that the OISE should seek to move in less relevant directions, perhaps more relevant directions, but your recommendation is that they publish. Surely this would bring them into direct

conflict with the interests of existing publishers. I don't see that they have to publish in order to have the programs.

MR. SAUNDERS: Are existing publishers now interested in publishing materials that OISE has developed?

MR.JEANNERET: In the past no, but in the future perhaps?

THE CHAIRMAN: I suppose the question really is, has OISE been producing? You see, we operate independently here but we very often come up with the same sort of thing. My note is this: Could IOSE create a product to be used in the curriculum?

MR. SAUNDERS: I think there is a risk that other such Institutes such as this which are concerned with developing experimental curriculum materials and then marketing materials for the market they have created, I think there is this danger.

THE CHAIRMAN: I have not finished my question. You might see the other part and what is contemplated. Could OISE create textbooks and have a commercial house produce them?

MR. SAUNDERS: If OISE were producing materials which commercial houses were interested in, I would assume that this could be done. I think what we are assuming, perhaps the recommendation is not as well worded as it should

be, what we are assuming is that experimental type of materials where a publisher might not want to undertake the investment required.for manufacturing and distribution costs that this is something that OISE should get into and commit itself to more fully.

THE CHAIRMAN: The other problem I have in the terms of that exercise is, if you spend all your time and money on efforts experimenting which is what OISE does -- we don't know but we think that is part of what OISE is doing -- when is it that you translate the findings of the experiment which would have been conducted into something which is meaningful on the broad base, and how do you do it?

MR. SAUNDERS: I don't think there is any answer to that question because when you are developing materials and testing them in classroom situations you may end up having to go through what may seem from the point of view of the teachers at least, an endless series of revisions before it reaches the point that you want it to reach.

THE CHAIRMAN: I think either the series is going to be of interest or will come to something -- who is the best person who can take what you have got after all your experiments and translate it into something which can have a universal application in the teaching field? I would have thought that OISE would have been in

this kind of position?

MR. SAUNDERS: They might be but commercial publishers might be in the same position, of course.

DR. JEANNERET: I believe the announced policy of OISE and certainly one that was tentatively arrived at in discussions with the commercial publishers was that if the material was commercially publishable every effort would be made to have it published through the commercial publishing houses.

Therefore, to the extent that that is the situation still, one has every right to ask how much has gone through this way and what degree of relevance has been achieved to date from the standpoint of the practical curricular textbook needs up to this time, but to recommend that they publish more practical materials, publish, this, I think would cause some concern to the industry. Would you not agree?

MR. SAUNDERS: I would think that it would, but as I suggested earlier, is the industry willing to commit itself to publication of experimental materials.

DR. JEANNERET: No, no, if the industry doesn't want it, then the OISE publishes and I think that is the present policy.

MR. SAUNDERS: That is a fair enough position. This is why we have said that the recommendation is a very real one and we think OISE should make a bigger commitment to experimental materials.

THE CHAIRMAN: Perhaps your recommendation ought to be changed to some extent. What you said is the distribution of learning materials developed by the Institute. That means developed after experimentation. I suppose that you really meant to say, and you are probably correct, "The Commission recommend the Ontario Institute for Studies in Education establish a publishing branch for the publication

and distribution of experimental learning materials".

MR. CAMP: What is the difference between learning materials and experimental learning materials?

MR. SAUNDERS: I have to assume if there is going to be wide distribution and use of learning materials they would have been tested and found to be successful. I think there is another problem for the Institute and I think you gentlemen must recognize this. I have no brief particularly for the Institute, but that is to what extent is their publishing activity to be a loss operation? At what point do they have to publish something which will support some of their losses? The University of Toronto Press, I am certain, while it publishes a good many books at a loss, nevertheless publishes things profitably, to subsidize those other things which are not commercially successful.

DR. JEANNERET: They get no help from anywhere else.

MR. SAUNDERS: No, it doesn't. It is a question, should OISE receive help from somewhere else for the things it publishes? I pose the question to you. I don't have an answer for that question.

DR. JEANNERET: I just point out a possible answer, or at least danger. If that principle were accepted in the case of

the Ontario Institute, they would have to enter into a limited market in the commercial competitive field, whereas, in the scholarly field, this is not true at all.

MR. SAUNDERS: They have an internatinnal market, I appreciate that.

DR. JEANNERET: We were just talking about this before the meeting, that this is a completely flexible trade market. If somebody doesn't publish Paul Kane's Frontier this year, you are going to publish other books. It is a different matter if you are after a particular school market.

MR. SAUNDERS: Yes. The third recommendation we have made, I think speaks for itself. We note in the new issue of Circular 14 which came out this spring that a number of books have been given a little asterisk, and indication in the Circular that these books will be discontinued in the near future. That is probably a wise approach to give to a Board and teachers some warning ahead of time something is going to be discontinued. At the same time I think there are a good many teachers feel there is still some obsolete materials that appear on Circular 14. To keep these materials in Circular 14 is not to serve any useful educational purpose, although it may subsidize publishers.

The fifth recommendation is one that we think is rather important. In September

of 1969 there were over 21,000 French-speaking pupils in secondary schools in this province. We would anticipate that next year this number will probably be 1000 or 1500 higher and the number will continue to rise probably until the mid-1970s. At the elementary level, both public and elementary separate schools, there is a rising number of students. There seems to be a shortage of texts and learning materials for these students. I cannot give you any clear answer why. If you are interested, I would suggest that you might ask our Committee of French-language teachers to make a presentation to you, but Ontario teachers are not very satisfied with the type of text that is produced and used in Quebec schools. It seems to be the feeling for French-language teachers in New Brunswick and Manitoba as well. When you have got such a limited market as a number of French students in these three provinces suggest, then you have a very serious problem in obtaining suitable materials.

DR. JEANNERET: Would you go so far as to agree that if you were back in the period when there were legislative grants on a per-pupil basis, $3 per pupil in the elementary, for example, that it would be proper, having regard for the much smaller market in the Francophone area, for them to have a per-pupil grant of $6, $8, $10 per pupil

in order to pay more for the same type of books? Is that what you would recommend?

MR. SAUNDERS: No.

DR. JEANNERET: It has been recommended to us.

MR. SAUNDERS: Yes, it has. My background is really in educational finance and I have a very grave suspicion on incentive grants because if the grant is not sufficient to cover the cost, then it means the wealthy system can afford to take advantage of the grant and the poorer system will not take advantage of the grant. I would not favour that kind of grant. On the other hand, at present the provincial government does give a waiting factor which in effect allows boards to spend 10 per cent more, therefore, their grants are 10 per cent more for French-language students. because the classes in most areas tend to be smaller. This is the principal reason. By making more money available for the education of French-language students it would presumably mean there is more money available to purchase learning materials for those students.

DR. JEANNERET: It might not be used for that purpose.

MR. SAUNDERS: It is at the discretion of the local boards.

DR. JEANNERET: You are not asking for a return to the earmarked grant for books?

MR. SAUNDERS: I would be very suspicious of that.

DR. JEANNERET: You would prefer to have the book grant incorporated into the per-capita grants and be used for anything from audio-visual to teachers' salaries?

MR. SAUNDERS: That is right. That requires a certain amount of faith and wisdom on the part of the budget planners.

THE CHAIRMAN: There is a lot of faith that has to be exercised in many areas.

MR. SAUNDERS: Because the problem is not unique to Ontario we have suggested that the provincial government here should involve itself in cooperation with other provinces and also with other teachers' groups in the other provinces and ourselves to look at this problem and see if we could develop joint text publishing or at least joint approvals.

DR. JEANNERET: You would have to have joint curriculum first.

MR. SAUNDERS: Yes. I would have to ask you what you mean by joint curriculum? You can have some commonality of forces. You can sit in Ottawa and say at this moment in any given point in the country we will be doing this. We can have common courses.

DR. JEANNERET: One other question, please: Your second recommendation,

you recommend the making of monies available for a series of proposed curriculum -- proposed curriculum materials development fund, available to all publishers regardless of ownership. Is that right, or do you mean to certain qualified groups as you refer to them? Would these be Canadian publishers? With whom would these monies be used under contract? What kinds of publishers?

MR. SAUNDERS: If a publisher undertook to develop curriculum materials, I am not sure if it matters who the publisher would be, providing that he was prepared to meet the specifications laid down by the Department of Education asking for the curriculum to be developed.

DR. JEANNERET: He would have to be a publisher operating in Canada, of course, obviously.

MR. SAUNDERS: We are not necessarily looking at publishers as the only people who would be eligible for such contracts with the government.

DR. JEANNERET: In whom would you propose the copyright in the resulting materials should vest, having regard for how their preparation was funded?

MR. SAUNDERS: The person or group who developed it.

DR. JEANNERET: Even though he

is working under a contract of service?

MR. SAUNDERS: Yes. This is what, this is the arrangement the United States office of education uses in funding.

DR. JEANNERET: In the States they do not accept copyright and are not allowed to have copyright.

MR. CAMP: Mr. Saunders, you put some emphasis in this brief on the subject of curriculum materials. It would help me if you could define by example some common categories of curriculum materials.

MR. SAUNDERS: The most obvious one, of course, is the textbook.

MR. CAMP: Beyond that?

MR. SAUNDERS: Textbooks seem to be out of fashion right now. I suppose you have to look at some of the kind of things that people are producing.

MR. CAMP: We had a great display here.

MR. SAUNDERS: This is why we have tried to give a broad definition of educational publishing as possible. The production of any kind of material used in communication in the learning process ---

MR. CAMP: Is there a percentage in your mind as to the budget allocation for that kind of thing today, as compared to the textbook? You take the school board's expenditures,

the average school boards expenditures at 100 per cent.

MR. SAUNDERS: I couldn't give you an exact figure, but fairly commonly school boards in their secondary account in this province seem to spend about $45 to $50 per pupil on supplied and services for instruction. That is a pretty broad category. That is everything down to blank paper they run through a ditto machine or a mimeograph machine. Probably about have of that in most school boards is made available to the schools for purchase of materials, that is each year. Materials that will range -- it doesn't exactly sound like publishing but materials that would range from metal and wood for technical shops, through text and film strips and materials that would be used in the science labs.

MR. CAMP: Of educational materials, curriculum materials, or whatever the phrase is, which are sold by publishing houses?

MR. SAUNDERS: How much of that goes to them?

MR. CAMP: No, that is not quite my question. I am trying to get in my mind some percentage as to the -- no matter what, despite all this growth, the textbook is still the basic instrument of learning.

MR. SAUNDERS: Yes.

MR. CAMP: I am trying to find

out what percentage of educational costs for publishing does this new and growing ---

MR. SAUNDERS: Going into textbooks? That is pretty hard. A guesstimate, I would say, as a percentage of total operating expenditure?

MR. CAMP: Total expenditure for curriculum materials.

MR. SAUNDERS: For materials, okay. Probably a third.

When I say that that is both text and books going into libraries as well.

MR. CAMP: Yes.

MR. SAUNDERS: I would think that most teachers feel that they are still on a pretty restricted budget when it comes to obtaining learning materials. They don't always have everything they would like. Of course, that is part of the real world.

MR. CAMP: The cost of development of these materials seems to be higher than the cost of development of a textbook?

MR. SAUNDERS: You have probably talked to the people at the Institute about the development of the box on the Depression, for example?

MR. CAMP: We have seen it, it is in the hall.

MR. SAUNDERS: That thing is infinitely more costly to develop than a textbook. With a textbook you can go to a couple of people and say, "We would like you to do this for us" and they retire to their studies and start writing and whether there is a time deadline or not they go ahead and do it. Thereafter the cost to the publisher is possibly for editing although I must confess I sometimes wonder if there is much investment in that area.

DR. JEANNERET: Don't sell this

whole operation short, Mr. Saunders, it is a pretty big investment.

MR. SAUNDERS: I think you would have to use textbooks, Dr. Jeanneret, to appreciate my comment that some of them are not well produced.

DR. JEANNERET: I know what you mean, I have written a few.

MR. SAUNDERS: There is less cost in the textbook than in something like a box because the costs of the publisher are for editing costs, for manufacturing and distribution.

DR. JEANNERET: Mr. Saunders, if you could sell as many copies of that box as you used to be able to sell of a textbook, I suggest that the price of that box would be less than the price of a textbook?

MR. SAUNDERS: But you can't, can you?

DR. JEANNERET: No, you can't.

MR. SAUNDERS: There is another part of the problem in these learning materials. You sell a textbook for every student but you need only prepare one film strip for a school and not every school will buy that film strip. That means that the market in Ontario for film strips, for example, for any given course will be pretty limited.

MR. CAMP: These materials, though, do you think they have as much of a national or cultural content, if you follow me?

specific requirement for Canadian-developed textbooks in certain areas. Is the same national cultural idea incorporated in this other material?

MR. SAUNDERS: Yes, within the framework that we have spoken of in our brief. Obviously if you are involved in a world history course it doesn't really matter if you have a film strip about events in Europe or Asia, that doesn't matter, but I can think, for example, let us say industrial chemistry or industrial physics courses or science courses where you would like to bring in materials to illustrate industrial processes. Surely the frame of reference might well better be a Canadian one rather than

I.E. DuPont Delaware.

MR. CAMP: On page 6 I just have one more thing. I have tried to fix in my mind the spirit of what you have described as the light-house.

THE CHAIRMAN: Did you notice whether or not the light is out?

MR. SAUNDERS: I thought in the past it was rather dim but the glimmering seemed to be getting a little brighter recently.

MR. CAMP: But do I take it that the inference is that it would be better for one reason or another that OISE do more of this and the publishers less of it?

MR. SAUNDERS: I don't think it is a case of OISE doing more and the publisher doing

less. I think it is a case of the publishers doing any.

MR. CAMP: Well, they have complained about their attempts to do it. I am talking about learning material.

MR. SAUNDERS: Publishing commercial material that is fine, they are doing this, but if you are talking about materials which do not have a guaranteed market then there is no reason why OISE should not be in this business.

MR. CAMP: That is the first time anyone has said there is a guaranteed market for any publisher.

MR. SAUNDERS: There is a limited but guaranteed market after all, but as I think you appreciate you can predict pretty well the market if you have an authorization system for the books. If that is the only book that is going to be used or the only authorized piece of material that is going to be used in the province, you can predict pretty well, you know what the replacement cycle is and you know how many you have to produce each year but as we have said in here, if you have a relatively open system allowing several alternative books to be used for courses as well as other materials then you really don't have a closed market. You have to go into competition with other people.

There is a closed market insofar as

the course is there for which you are producing material but it is not guaranteed that you will sell X copies.

DR. JEANNERET: You agree, don't you that the trend is in the direction of infinitely more expensive materials as far as unit cost is concerned, having regard for the fast write-off and an adjustment that is going to have to be made on the part of the consumer to take account of this fact?

MR. SAUNDERS: Very definitely. I think the teachers are deeply aware in the last decade that the cost of materials, textbooks alone, has gone up very drastically.

DR. JEANNERET: But the textbook price based on a single adoption authorization, that is a single book authorization, sets levels of prices which are totally unrealistic in relation to the present?

MR. SAUNDERS: Right. The approval system may well help to control prices. There is some public interest involved here in the prices, after all.

DR. JEANNERET: But the benchmark is not what they used to be sold at?

MR. SAUNDERS: No.

DR. JEANNERET: Although it tends to be in the discussions?

MR. SAUNDERS: As I said earlier, I think the amount of money made available for the

purchase of supplies just is not adequate. I can think of a system before I went to the Federation and I am aware that the budgets available for material have not risen in line with the cost of those materials in past years.

DR. JEANNERET: That is why I wonder why you favour a grant other than an ear-marked grant as it used to be?

MR. SAUNDERS: My anxiety would be that with ear-marked grants and the capacity of Boards to take advantage of those grants is going to differ quite a bit. If you want to make a flat grant over and above, an ear-marked grant over and above the general purpose grant, if you want to ear-mark X dollars --

DR. JEANNERET: Well, funds will always be available for that purpose obviously but the question is a minimum ear-marked fund, would that not be desirable?

MR. SAUNDERS: It might be. I will tell you my reservation. The Ontario Foundation Tax Plan in the mid 1960's was made available at $6 up to grade 10 and $9 for students thereafter. I am not sure, I will have to check those figures. Those dollar amounts did not really cover the cost of the texts that would have to be bought for a student in the year. That meant that some systems were in a better position to take advantage of those grants than others.

Now, if you make them conditional upon

use for texts there is no equalization applied. I suppose this is one of the things we are concerned about in distributing money is some element of equalization so there will be no burden on the local area as compared with other areas.

THE CHAIRMAN: I suppose with the county system coming into being some of these difficulties might be overcome?

MR. SAUNDERS: Maybe but there is still quite a wide range of this local incapacity.

THE CHAIRMAN: I am particularly interested in your remarks in this brief in relation to learning materials and I have been interested in the remarks that you make, and others have made, with regard to capacity, if you will, of Canada or Canadians to produce in point of fact films, film strips, maps, transparencies and other materials, particularly in the presence of the massive capability of intellectual science and otherwise of our learned friends to the south, and we keep hearing that we are not capable of doing these things with which I don't necessarily at all agree.

MR. SAUNDERS: I am glad you say you don't agree.

THE CHAIRMAN: I am not finished with my question, don't be impatient. As a teacher you must be patient. I am also concerned that there appears to be some lack of communication between some of the agencies which exist in Ontario

in relation to the whole question of the establishment of curricula and the work which has to be done in relation to them and I was, therefore, going to ask whether you felt that there could be a much more meaningful collaboration between, for example, the Department of Education which is responsible for the establishment of curricula on the one hand and obviously when curricula are being established certain research must be done in order to validate, if you will, or flesh out, and OISE on the other hand.

There appears to be some sort of lack of communication in this regard -- and whether OISE might usefully undertake the role of experimentation and research in support of these curricula which are emerging, in particular in relation to films, film strips, maps, transparencies and other materials which might support such curricula using their research on the side but in collaboration with the department and therefore proceed with these facilities but at the same time begin to see to at least the fundamental production of this learning material, at least in terms where it can then be put out to the commercial houses for fabrication and for merchandising. I wondered if you could comment on this?

I am going to ask OISE to comment on it at another forum, in any event, but I am just wondering what your comments might be?

MR. SAUNDERS: Yes, we would support this kind of direction from OISE.

THE CHAIRMAN: I don't think I have any further questions. My colleagues have covered them extremely well and the answers have been very good, Mr. Saunders.

We appreciate the knowledgeable approach that you have brought to us and we appreciate the Ontario Secondary School Teachers' Federation participation with us. We are contemplating at this time also an informal get-together of various representatives of various organizations with a view to determining whether anything can be done to encourage authorship among teachers, among the academic group of this country in a way that is co-operative among all the interested parties and I go back to the expression which is a personal one, that there is a great deal of lack of communication in the country between the groups that ought to be communicating in this field.

Do you have an opinion on that? You are nodding.

MR. SAUNDERS: Yes, we will be very happy to participate in such a meeting. You will notice the one recommendation we have made because we just don't see any easy solution to the problem of learning material for French-language students is that some sort of co-operative approach be taken on a large scale between Quebec and Ontario.

MR. CAMP: One of the things we are after here, and one of the more frequent observations seems to be the difficulty of expecting teachers to produce texts, work on texts without any leave of absence or special subsidy.

MR. SAUNDERS: I suggest you speak to my wife about that problem.

MR. CAMP: What would she say?

MR. SAUNDERS: She would say if I hadn't got the manuscript finished when I did, she would probably leave me because she didn't see me any more.

DR. JEANNERET: If we did work out a system of grant, then we would have to face President Hutchins' philosophy and say the royalties belong to the employer, There are a lot of dilemmas.

MR. SAUNDERS: If a teacher were given leave specifically for this by his school board, then I don't think he is likely to object to that kind of approach. If you are an entrepreneur, either as an individual working or working in a group, seeking out contracts for curriculum development, surely one of the rewards is not just the contract, it is the copyright which goes with that, if the material you develop is successful.

THE CHAIRMAN: Such a discussion might be useful, you think?

MR. SAUNDERS: Yes, very definitely.

THE CHAIRMAN: Thank you, Mr. Saunders.

MR. SAUNDERS: Thank you, Mr. Chairman.

SUBMISSION OF ADDISON WESLEY (CANADA) LIMITED

THE CHAIRMAN: We have with us now representatives of Addison Wesley (Canada) Limited. Mr. Bryson, the Vice-President, School Division; Mr. Paul Bolton, Vice-President and General Manager and Mr. Croucher, the Controller.

Gentlemen, we welcome you here and if you would speak, please, to the main points you wish to make in your brief, we will then discuss it with you.

MR. BOLTON: Thank you, Mr. Chairman. Mr. Chairman and gentlemen of the Commission, we appreciate this opportunity to appear before you. We commend you on the difficult task of weighing the many opinions and suggestions over the last three months of your formal hearings. We trust that you will be in a position to make early recommendations for the benefit of the publishing industry.

Addison Wesley is a fairly new participant in the publishing industry and our company can be fairly described as a specialist in the area of mathematics and science. We do not presume to have all the answers, but hopefully our recommendations will invite comment and make a responsible contribution to your deliberations.

Touching on the highlights of our brief, we have indicated our history to date. We have made a modest start editorially, but we are committed to the development of Canadian works and authors. This has been a continuing development from the very early days of our contact with curriculum departments across Canada. In particular we have been privileged to have had a great deal of help from these departments, especially the province of Ontario, in the shaping of our future editorial goals. To this end we have great confidence in Canadian educators in the future of Canadian educators in the future of Canadian publishing as a result of this dialogue.

Mr. Bryson is in charge of our school division operation and is responsible for both sales and editorial. He will be pleased to answer questions in this particular area. Our Mr. Croucher will answer for the financial side of our operation and I will be pleased to deal with general questions.

Also in attendance in the front row are Mr. Joseph Swann, Manager of our college

division and Mr. Nelson Priss, sales manager of our school division. This is a very brief opening commentary, Mr. Chairman, and we would be most happy to answer any questions relative to our submission.

THE CHAIRMAN: I would just like to ask one question at the outset and perhaps one or two later on. Sometimes we get from reading these briefs -- I do at least -- get hung up on statements that are made which cause a bit of a reaction which is not necessarily a good approach, but sometimes it cannot be helped. It is the nature of what we are doing. I was particularly struck with the direct statement, which I must say I disagree, on page 5, because it seems to be an underlying theme in many of the briefs we are getting from firms which are owned and controlled from the United States. It speaks rather to the attitude, I think, of those firms by and large. On page 5 it is said:

> "The Canadian consumer of educational materials is used to an American standard of living . . ."

I am going to say at the outset -- I am not going to ask a question, I am just going to disagree with you:

> ". . . - for example, large American cars with all the options, 25"

colour TV's, and appliances. Many of these products are adapted from the American."

Can I suggest to you, or whoever wrote the brief, that the Canadian consumer of educational materials is used to a Canadian standard of living. For example, cars which are built in Canada, perhaps of American design but also European and Japanese cars, just as those in the United States are used to having European cars and Japanese cars. Colour TVs and appliances again, you see, we are in an international world which is one reason we are sitting here. It is not all American. That sometimes is news, but we are not in Canada, in my opinion at least, used to an American standard of living. We are used to a Canadian standard of living which, by and large, is an amalgam of many things. It is a distinctive thing. Just because it is American does not mean that it is the best in the world, either by way of standard of living or otherwise. I think what you are trying to tell us in this brief is that the American way is the biggest, but my own reaction at the outset of your brief, is that it sure as hell is not the best!

Having said that, you can see you sparked something in a reaction wave from me. I will try a little later on to get back into the straight-in questioning line, but the

more I see of this, the more I am tempted to suggest that from time to time one really has to be sparked. I am sure you didn't mean it in that context.

MR. BOLTON: No, we didn't, Mr. Chairman.

DR. JEANNERET: Two or three questions, Mr. Bolton. On page 7 I think that I am talking about the cost logic that runs through the bottom of page 6 and ends up at page 7. We don't need to go through it all, but it seems that the argument that you are advancing is that there is a disability for the Canadian publisher to labour under, as a matter of scale, of market, but in every way it seems to me to be parallel to the logic that makes advertising in Time magazine, for example, an attractive lure to the Canadian advertiser in the Canadian market by reason of the fact that it is not having to contribute significantly to continental editorial costs on a run-on or spill-over market. Put another way -- I don't mean this in a purely critical way, but I want to look at this aspect of your contribution -- your contribution is tremendous, I know that. Are you not advocating the advantages to the Canadian schools of allowing what you could call editorial dumping? I use that word "dumping" strictly in the tariff sense, not

to criticize the quality of the materials or anything of that nature, you understand. If this were advertising space, it would be greeted with a certain reaction which we know all about. If it were a matter of making available a supposedly competitive product at less than the normal unit costs of manufacture, it would be greeted by special duties or dumping duties. In a sense you say it is advantageous for us to get aboard from an economic standpoint at least. I suppose from a content standpoint. Isn't there a parallel here? I would be glad if you would comment on this because I think subconsciously this is one of the things that worries the Canadian consumer who is seeking to keep the Canadian aspect evident in his materials. He is forced to compete with something he can't afford to produce because he is a part of a continental market. Please comment on this. Isn't it editorial dumping?

MR. BOLTON: I don't think we would construe it as editorial dumping, Dr. Jeanneret. I think the emphasis we wanted to make in this comparison was to define the two marketplaces. Perhaps this is an over-dramatization of it, but we are interested in quality materials. We are interested in seeing such materials become available. Yet we recognize at the same time, with the markets

differing such as they do, our example here was simply to perhaps dramatize a little the fact the cost for a total integrated program in light of the Canadian market loomed very large. We would like to be in the position of approaching and attacking this problem. Mr. Croucher, for instance, has some commentary in terms of the recovery costs and I would like to have him comment on this particular area.

MR. CROUCHER: Yes. The example of what is required to capture the investment before publication only includes direct costs here. It does not include overhead or selling expenses, warehousing and these other items. In order to have this type of investment recovered over the period we have not entered into any costs of selling or any of these other matters, so that if you really want to take an actual situation, the picture would be even blacker in our opinion, than it is painted here.

DR. JEANNERET: I thought you raised a hopeful point in drawing attention to the fact that two-thirds of the North American population is within 500 miles of Toronto and I agree that some hope for Canadian publishing does lie in exports intelligently developed. You mentioned this advantage so without alluding, you don't have to develop it and the restrictive effects of such things as the non-tariff barriers that lie in the way of

getting into the United States, the manufacturing provisions, for example. I know you acknowledge they exist and I am sure hope that they will be removed.

MR. BRYSON: That is one of our recommendations.

DR. JEANNERET: As we do. On page 14 -- I won't dwell on it because we have had it so often in the briefs and I expressed myself very definitely, if not finally. You are making a recommendation that -- I think you are making a recommendation that books submitted for Circular 14 might be adopted without having to be published. Do I have the reference correctly?

MR. BOLTON: Yes, that is correct.

DR. JEANNERET: I have pointed out in the past some of the grave reservations I have regarding this. A book might be written by your author and submitted and not be adopted and it might just not be published and we have to think of the author in this regard as well, and we want to enhance or increase the responsibility of the publishers submitting and the manner in which they execute the work and so on. As long as they are not being exploited and being subjected to too heavy a score of misses by reason on capriciousness on the part of the Department or something like that.

I am not sure that the pre-publication approval or rejection would necessarily work to the improvement of the quality of Canadian publishing. If you want to comment on that, please do so.

MR. BOLTON: There is the premise here that goes a little further, Dr. Jeanneret, than some of the recommendations that have been made in regard to discussion before the fact. I would like Mr. Bryson just to comment on what we have outlined on page 14 because it is perhaps a little bit different from any concept which is currently being considered.

MR. BRYSON: Yes. Firstly, I want to go back to the Chairman's comment, if I may. At first I agree with the point you have made and it is well taken. The reason I want to mention it is that I don't want to get away from the tone of how we feel as a publisher in Canada.

THE CHAIRMAN: Now, just hang on. I know how you feel as individual Canadians. You are speaking for a subsidiary of a compny which is owned and controlled wholly from the United States. Now, I understand that. That is one of the difficulties we have had. We have had no people, none of the people who are in the final result in the control position, to talk with us. I understand what you are saying is that you are Canadian yourself. I respect this, so away you go.

MR. BRYSON: I think the point that you have brought up goes right back to the original comments we get into about costs, problems of costing and quite frankly when we look at the Ontario market as a mass publisher and in terms of exports then, of course, we think of exports involving international items. In the programs we have come up with to date there is one I can think of specifically. Because of the market size in Ontario we could not publish it.

THE CHAIRMAN: When you say "we" is it what the parent has come up with that you in Ontario could not publish?

MR. BRYSON: No, we could not economically publish this product, we as a Canadian publisher but fortunately in this situation the curriculum work was done by the province and it is available to all publishers and it was of the nature that it was pioneering, unique, and put us in the position where we could see a very good export market and I think on subsequent revisions I think we are going to have a product here that is going to help spread the Ontario curriculum to all States, Australia and New Zealand. It is all Canadian-authored, Canadian-manufactured and it has been a profitable return to us as Canadians.

To come back to our original point, the reason we look at the products in the States is because No. 1, we do find -- and this is just a

circumstance we live under -- that in many cases we have not the market for certain products. This puts us in the position where we cannot have the colour we would like to have from the point of view of getting into a stronger market situation and numerous other supplemental aids, teachers' guides et cetera. We could do this because we look to our export market and fortunately acquire some of this export market. I don't know if that answers your question, Dr. Jeanneret, but I am just trying to show you the procedure we try and use in order to be able to publish,

DR. JEANNERET: I could be misinterpreted here and it may even sound like persecution and that is not my approach at all as my next question will indicate but it does occur to me that exports by a foreign subsidiary, that is to say, the development of editions abroad based on something first developed in Canada by a foreign subsidiary, although necessarily the author would continue to have an interest the financial interest presumably of the company would lie outside of Canada, really. I mean the royalty profits that would be derived from having a book made in Australia or England or something like that if this were to happen would inure to the benefit presumably of, in your case, an American firm.

I don't know that this is terribly important. It does spread the good word and that is

all in our interests. If you want to comment on it, do, but I don't want to make too much of it.

MR. CROUCHER: The arrangements that we have for export are identical in reverse to what we import insofar as our affiliation with the American parent is concerned and with the otherelements of the international division. We have not as yet had any manufacturing of our product outside of Canada. We have always manufactured our products here and exported them with the one exception, there is a Japanese translation which you --

DR. JEANNERET: The list will be determined in the end by their popularity abroad obviously. If there is really a good market in any area such as Australia it will be made there, I mean it has to be made there, just as it has to be made in Canada if you want to sell it here.

You make an awfully good point at page 19. I have heard it made once but if you develop it I think it would be good to have it in the record. You say in No. 6:

" There are many people in the Department of Education who are as yet unpublished authors, or others at the peak of their writing careers. These authors are not eligible to write Canadian texts authorized for Circular XIV. We are losing the

" benefit of this Canadian scholarship. To avoid conflict of interest, such authors obviously should not be involved ini the decision-making process of authorization, but should be given the opportunity to write."

Formerly as I well recall,this extended to provincial inspectors across the province although a municipal inspector could write, which is a little bit ridiculous. I suppose the curriculum itself in the department are affected but at the border level they would not be covered now. Would you develop this so we will understand it perfectly?

MR. BOLTON: I would just like to comment on this. With all due respect to the Ontario Department of Education, when publishers seek vital authors, young people in the teaching profession, they usually go after the same market that the department does. We look upon them as potential authors, the department in its wisdom says, "That is just the kind of fellow that we want in a consulting position". Our contention in this instance is that here is a young man on his way up, perhaps he has not written before but we know he has the potential and possibly a number of publishers are chasing him just at that moment. When he becomes appointed to a department position, of course, he

is no longer able to write. If he had a contract with a publisher prior to joining the department the department, as we understand it, will allow him to finish his contractual obligations with the publisher so that he will subsequently be appointed.

Our feeling is this, that there are some very good people in this province particularly who are being denied the opportunity to write textbooks and to receive authorization.

MR. BRYSON: I think what was said was a back-handed compliment to the Department of Education because they are extremely good in our opinion. In some cases it is almost unbelievable the number of times one gets into this situation. I think more importantly this small market in terms of selling is also a small market in terms of authors.

DR. JEANNERET: I think it is something we should keep before us all right. I will just ask one general question. You know why we have been appointed and it is a bit philosophic, but what, in your opinion, would be the consequence for Canada and for Ontario of the disappearance of the last Canadian-owned educational publisher of substantial size, or do you feel that such a development would have any cultural implications at all? Would you just comment on that?

MR. BOLTON: I would say

honestly that we would regret seeing this happen.

DR. JEANNERET: Do you think that in Canadian cultural and educational interests, interests of preserving a Canadian identity, it would be desirable that a residuum of substantial Canadian-owned publishing firms should, if possible, remain?

MR. BRYSON: I think at the same time I would like to make a point. I think as a country frankly, I think we are short-selling ourselves. I just got back from a trip to the West Indies on an export trip and to Puerto Rica I will just give you one example.

Going to four British West Indies islands I got talking to a secretary of mathematics. They don't like the style of curriculum they have there from the States and I discussed it with them in terms of mathematics curriculum and they were extremely interested in what has gone on in Ontario. We quite frankly don't have books that would fit this market right now. I was fortunate enough to make some recommendations on Canadian products but what I was going to say is that I almost get the feeling that some foreign countries have more confidence in our abilities in some ways than we do and I think that we are short-selling ourselves.

DR. JEANNERET: I think you make a very good point. It has been my point that in ex-British Africa, the Caribbean, my goodness apart

from the British publishers we are the only English-lanaguage publishers that use British spellings and they do. Things of this nature give us an opportunity to be looked at.

MR. BRYSON: I think we are missing something there. We should go after them very strongly.

MR. CAMP: Mr. Bolton, I thought maybe you wore the maple leaf jacket design to please the Chairman.

MR. BOLTON: That was not my intention.

MR. CAMP: Maybe you have been here before?

MR. BOLTON: I was unaware of it.

MR. CAMP: Your company has been in the first four years of its operation from 1966 to 1970, you started with $500,000 sales and by 1970 you were up to $3 million, which is phenomenal growth.

On page 3 you illustrate some of the economic benefits that accrue as the result of your growth and activities in Canada. May I ask you in regard to the construction of your plant, you lump two things together, $3 million on plant and manufacturing costs. Is it possible to separate that out as to what kind of development it was? It does not particularly matter but I was just going to ask you how you financed your development costs.

Did you develop your financial costs from conventional sources?

MR. BOLTON: From Canadian banks, yes.

DR. JEANNERET: Excuse me, plant costs are used in the sense of development costs and not building plant?

MR. BOLTON: We assumed by this the cost of our composition, plates, negatives.

MR. CROUCHER: It breaks roughly down to $1 million plant and $2 million in production. One-third is pre-production costs.

MR. CAMP: Does your parent in any way assume your credit?

MR. BOLTON: Yes.

MR. CAMP: I assume there is a percentage of profits that are repatriated to the United States?

MR. COURCHER: We have not as yet paid any profits to the parent company. It has all been retained in surplus. We are not self-sufficient in capital at the present time.

MR. CAMP: You had more than a small amount of success with regard to marketing in the United States, which you describe on pages 8 and 9. Who is the sales agency for this? Is it done by the parent company or done by yourselves?

MR. BRYSON: It is done by the parent company at this point of time.

MR. CAMP: The cost of sales are charged against the parent company?

MR. BRYSON: Yes.

MR. CROUCHER: The method of costing is identical between us and the United States when they buy our product as it is when we buy their product.

MR. CAMP: You mentioned that you just reversed it in terms of import and export?

MR. CROUCHER: Yes, the same rules apply, the same rules.

MR. CAMP: They more or less act as your agent?

MR. CROUCHER: Yes.

MR. CAMP: With regard to the market you found in the United States for texts you describe here, is there a particular State or States in which you have had success, or is there a particular reason why you would have had there?

MR. BOLTON: I would like Mr. Bryson to answer that.

MR. BRYSON: Yes, I would say basically there is an opening in the State of California. Some of our success is because this came about, the provincial government was doing something about England in terms of curriculum development and made some primary efforts in terms of development and financial resources. We market some of this curriculum in California, New York, Florida and a lot of it goes to some of the experimental schools, which is a good sign.

DR. JEANNERET: In the case of California particularly, you have to manufacture there, don't you?

MR. BRYSON: Not in this particular case -- that is very true -- if they adopted a Canadian program tomorrow in English or mathematics, that would have to be manufactured in the State of California.

DR. JEANNERET: They are just as Californian in Circular 14 as we are Canadian in Circular 14.

MR. BRYSON: In terms of manufacturing but not in terms of acceptance. If there was a mathematics program came out in Ontario, providing it was manufactured there, it would not be restricted. There is no restriction in terms of authorship anywhere in the United States to my knowledge. We have looked through this from our own point of view.

DR. JEANNERET: Is that so? I was very interested to hear you say that. I know of no exception to what you are saying.

MR. BRYSON: As I say, I may be open to qualification here, but to the best of my knowledge we have found no limitation in terms of math or science courses.

DR. JEANNERET: Except an American author had to be made in the United States.

MR. BRYSON: That is the Manufacturing Clause and we are dead against that too.

MR. CAMP: Does the parent company take the same position in regard to manufacturing costs?

MR. BOLTON: Yes.

MR. CAMP: On page 19 this represents a conflict of interests.

MR. BRYSON: Just as an aside, we did some comparative costing in the United

States. Would this be fair to say? We have found cases that sometimes they can be done more economically in Canada and from our parent company's point of view, it is to their advantage to have facilities available for manufacturing open in terms of the total market.

DR. JEANNERET: Are you saying you make American authors in Canada and export them to the United States?

MR. BRYSON: Some of our Canadian products, we have made some comparative costs. This is more from an interest point of view and we have found in many cases, with major companies, it is cheaper to produce them in Toronto, or short runs in Toronto.

MR. CAMP: I would just like you to expand or perhaps further explain what you are getting at in your first recommendation in which you say:

> ". . . if we want our schools to use books by Canadian authors, written and produced in Canada for Canadian children, then we must be willing . . . "

-- you are talking about the textbook field:

> ". . . we must be willing to establish Canadian counterparts of some of the large research groups which have helped to stimulate advances in pedagogy

in the United States. We must recognize that the millions of dollars that will be required for such programmes must largely come from the Canadian Government."

Do you mean that, the Canadian government, or from Canadian governments?

MR. BOLTON: Obviously, under the BNA provisions this falls within the area of provincial right, but we do believe that there is room in Canada for research foundations whether it be OntarioResearch Foundation, or whatever its name, to develop what we believe is a real pool of good Canadian educators and give them a facility to do research and, in turn, have this available to Canadian students.

MR. CAMP: Were you here for the previous discussion on the subject of what is now being done by this Institute?

MR. BOLTON: Yes, and we would concur. This might be a very good vehicle.

MR. CAMP: Does it occur to you that if the R & D were done here, development of educational materials, how then would it be determined who would publish? Would it be on a tender basis?

MR. BOLTON: I think it would have to be on a tender basis.

MR. BRYSON: Yes. I think the prime reason we have made this recommendation is

that many of the cases of programs that have come out in the United States, you mentioned B.S.S.C. biology, we use these short expressions here, we really concern ourselves firstly -- unless the U.S. couldn't stand back and say "We are responsible for all the research in the math programs". This lead is taken by research people in curriculum and a lot of money spent is federal money of which Addison and other companies took advantage of this from a publisher's point of view. I don't think any company in the United States, with the exception of very few, could have afforded that research in the first place, even in the United States market. I think this is why we have emphasized the point inhere about the work of the curriculum division in Ontario and the other provinces. They are doing invaluable work in many cases the publishers couldn't afford to do. This gives you some unique and different styles of publishing you might not get with your own resources.

MR. CAMP: I just really have one further question which is sort of provoked more by curiosity than anything else. I remember reading in here -- I don't remember where it is -- it doesn't matter, I suppose. The rationale as to why an organization such as yours and its interest in Canadian publishing, would not have its own president?

MR. BOLTON: Would not have its own president?

MR. CAMP; Canadian president.

MR. BOLTON: As a Canadian, essentially it is because we are part of an international operation and it is our feeling that whatever the Chief Canadian officer be called, is not really that important. I would be desirable, certainly, but we have been given a mandate by our parent company and, in fact, the operating committee, as we have described ---

MR. CAMP: A president by any other name is just as influential.

MR.BOLTON: We would like to think so.

MR. CAMP: In terms of your export business that you were mentioning to the Caribbean and New Zealand, Australia, is there any particular advantage that occurs to you as a Canadian company as to commonwealth preference?

MR. BRYSON: The tariff involved in this type of product -- I can't speak for the whole world --- Dr. Jeanneret said ---

MR. CAMP: Do you compete with the parent company in these markets?

MR. BRYSON: No. I would like to give you a background on this. We train most of the marketing people for the international

division around the world. We are responsible for this in Canada. In this light I am involved in some cases, and the supervisor of these people in these other countries. When on these trips my policy is I am selling all the products of the company and, secondly, if I am situated ---

MR. CAMP: All the products of the entire company?

MR. BRYSON: The entire company and all languages, and if we have a situation where we do not have a product that will fit, I try to present Canadian products, ones that are available.

MR. CAMP: Your general marketing development policy in sales, you are careful not to produce anything here in Canada that would be redundant to what is being produced in the United States?

MR. BOLTON: In fact we are delighted to compete with them. We are competing with them right now.

MR. BRYSON: Very similar titles, we are competing on.

MR. CAMP: You go abroad wearing two hats.

MR. BRYSON: That is correct. Sometimes five. (Laughter)

MR. CAMP: That is all.

THE CHAIRMAN: I assume you are

given this happy responsibility internationally because you are a smiling Canadian.

MR. BRYSON: Believe me it is a great flag to wave.

THE CHAIRMAN: On page 18 Mr. Camp was discussing with you the question of millions of dollars coming from the Canadian government and I think, just as a way of comment as well, it would appear that under the provisions of the British North America Act, while provincial governments have exclusive jurisdiction with respect to education, there really is no bar -- this is perhaps a matter of opinion -- to the federal government making money available, as it does for tother purposes, for experimentation for research and development in the educational field. That does not get them into education in the administrative sense. However, for various reasons, -- on the other hand, we note your point that this kind of thing does occur in a country such as the United States where the collection of masses of funds is made available for the overall national interest in terms of educational research and development. It may well be we might decide to make such a recommendation to our federal government, either directly or indirectly.

With regard to the matter of corporate information that was touched upon by

Mr. Camp, I take it that all of the shares of the Canadian company are owned by the parent corporation, is that correct?

MR. BOLTON: That is correct.

THE CHAIRMAN: And that, in fact the corporate control of the subsidiary lies in the Unites States, is that correct?

MR. BOLTON: That is correct.

THE CHAIRMAN: You may not be able to answer this. This is one of the difficulties I have run into before. Do you think that we should infer from the lack of attendance on the part of any one of the corporate organizations here from the parent organization that there is a lack of interest or concern on the part of the parent corporations with regard to what this Commission may find ultimately in connection with foreign control of publishing, this publishing company, or others, in Canada? Do you think we might infer that they do not care about this, it is not a matter of interest to them, or what should we infer from this -- I might say you are not an exception. You are the rule. We have not seen any yet and we may never, but in "never", what do you think?

MR. BOLTON: Commenting on that, Mr. Chairman, I can assure you that the parent company is vitally interested and they are not saying by their absence that they are not interested. It is not true they do not care

what is going on in Canada.

THE CHAIRMAN: I don't make the inference. I ask the question.

MR. BOLTON: I can assure you the parent company is interested in what is going on in Canada and, as a matter of fact, there is a willingness on the part of the president of the Canadian company to appear and chat with you. He would be delighted to do it if you so desire.

THE CHAIRMAN: That is encouraging. Are you exporting to the United States?

MR. BOLTON: Yes.

THE CHAIRMAN: You are exporting to your parent firm for distribution there?

MR. BOLTON: In some instances, and in other instances we are exporting directly to institutions.

THE CHAIRMAN: I only have one further question: This is a question which really deserves an opinion answer and I suppose to get an answer there might have to be some research done somewhere.

I think we have been making certain basic assumptions in many of the briefs we have heard and one is that with regard to pedagogy in the United States that everything in the last 30 years has been in advance, the state of pedagogy in the United States and the materials and texts and other publications that emanate from that are really tremendous and that they are really first-class and that they are the best thing since rubber tires. This is the kind of image that we have been given and that we have just got to have the stuff particularly when it relates to the field of science and mathematics and things of this kind.

Having regard to the state of things in that other country in looking as we can at the so-called idiot box these days and having fairly direct communication with things and getting impressions, I wonder whether or not the result of all this new pedagogical advance in the United States about which we hear so much is achieving a result in that society that is something that we should aspire to in this country?

Now, that is a matter of opinion but I think the question has to be considered somehow. It may not be fair to drop it on you people but if you wish to respond to it I would be glad to hear it.

MR. BRYSON: I would be glad to respond. I partially concur with your opinion.

THE CHAIRMAN: That is a question.

MR. BRYSON: Well, I partly concur with your question. As a matter of fact, in the United States right now at the elementary level they are taking a very strong look at themselves today and it leads right back to something that is very interesting, I think. They went through a period when they thought the machine was the answer in terms of children and childhood education. They brought up all kinds of schools and I could go on and on and on and a great deal of the new interest is coming from England. I am speaking in the field of mathematics, you will appreciate that.

Surprisingly enough a lot of the new trends in the United States are stemming from English education where the utmost important person in everything is the child, not the book and the curriculum and a lot of this has come from Ontario from original work that was done and borrowed from England originally and now you go to schools in England and you are just tripping over Americans who are going to school there and doing research and what-not. The Ford Foundation is putting a lot of money into research on why the primary schools in England are working and the United States is taking a very strong look at this. What I mean is that in our case we are doing a program now with Canadian and English authors which we are

1 going to export into the United States which
2 comes directly from research, mostly from
3 England quite honestly and a certain percentage
4 from Ontario.
5 MR. CAMP: I am interested in
6 just following this up. I had noted in the book.
7 It is on page 18 and it is recommendation No. 4:
8 " We would recommend that
9 Circular XIV be amended to permit
10 authorization of international
11 learning materials in disciplines
12 that are not sensitive in areas
13 of Canadian culture and identity."
14 I am fishing for an example. I have the
15 suspicion that one thing you will say is
16 mathematics. What else would you add to that?
17 MR. BOLTON: Science mostly.
18 MR. CAMP: You think both
19 science and math have a universality but little
20 nationality?
21 MR. BRYSON: With some
22 qualification. I don't think we are saying to
23 you that we want an American math program or
24 English or any other math program brought in here
25 and not scrutinized. Today your mathematic
26 programs almost border on social studies. I
27 think they have to be reviewed very carefully
28 in terms of content that complements what we require
29 for our schools.
30 MR. CAMP: Mr. Bryson, . . I just

asked something that turns on this and I am sure you could answer if anyone can? In the United States, for example, in mathematics at the secondary school level, the school leaving level, do they cover as much ground as we do in our 13 grades in Ontario?

MR. BRYSON: I have got to be careful here because there are numerous different curricula which get involved here but I think you could safely say in terms of our academic stream no. As a matter of fact, in secondary math curricula-wise Ontario would probably be ahead. Many of the indigenous programs of secondary math that are published in Ontario, of which we are not one, by the way, are as good as or superior to anything the United States has, a great deal because of the curriculum and good authors as well. I am making a personal opinion but I think secondary math goes very strong and the work done here has been tremendous.

MR. CAMP: What would you say about secondary science?

MR. BRYSON: I can't comment on that.

MR. CAMP: But there are distinctions nevertheless between Ontario and most school systems in the United States or many at any rate, as to the achievement level expected and as to the extent to which the student goes in mathematics?

MR. BRYSON: Well, there are some exceptions. You will find cases right now, for example, in the secondary science BSSE physics and a lot of programswhich we don't have. Many of the federally funded programs in the United States, there is a great deal taken from Ontario. Some of the reasons are that the economics are such that you can't afford, in many cases, to publish something of similar quality because of the lack of available people and market.

MR. CAMP: The economy of the short-run doesn't apply there?

MR. BRYSON: Quite so.

MR. CAMP: Thank you.

THE CHAIRMAN: Gentlemen, thank you very much. This has been an interesting exchange. Thank you for coming. We appreciate it very much.

SUBMISSION OF THOMAS NELSON & SONS (CANADA)

THE CHAIRMAN: We now have with us representatives of Thomas Nelson & Sons (Canada) Limited, Mr. Jack Fleming, the President, Mr. W.H.E. Belt, Vice-President, Publishing and Mr. John A. Tory, Q.C., Director, The Thomson Organization Limited.

Gentlemen, we are glad to get together. If you would be kind enough to speak

with us about your brief and then we will discuss it with you.

MR. FLEMING: Mr. Chairman and Members of the Commission, we are very pleased to be here today to present our brief. We hope that any contribution that we may make will assist you in your task.

Thomas Nelson, a Canadian-owned publishing house, shares the concern for the problems that beset the industry and desires in presenting this brief to assist in finding solutions to these problems. While we have not attempted to answer all questions, we have singled out those which we consider most important. In Nelson's opinion the policies of Circular 14 must be continued in Ontario and, furthermore, should be adopted by all the provinces if Canadian authors, artists, publishers and graphic art suppliers are to have an opportunity to develop and prosper.

In 1968 the Ontario policy of budgeting a specific amount for the purchase of improved texts was changed and since then these books have been purchased from a single all-purpose school budget. Books are an essential part of learning and must be adequately budgeted for. This can only be accomplished if a separate and distinct book budget is provided.

Nelson believes that the application

of public funds to purchase from foreign sources books and materials available from Canadian sources inhibits the growth and development of an efficient Canadian publishing industry and should be stopped.

Copyright infringement is an especially aggravating problem. Where photo-copying is prevalent the system of collecting royalties to pay to the publisher should be established.

Governmental publishing operations should not add to the problems of Canadian publishers by providing unfair competition. Nelson believes that facilities of Canadian publishers should be used for the preparation and production of many learning materials now published by governments and institutions. Nelson is concerned that the provision of loans by governments to Canadian publishers is not in the interests of creative Canadian publishing because such funding will inevitably lead to governmental controls.

One of the most effective means of governmental assistance would be the granting of special tax concessions to the publishers of Canadian materials. The effect of such a provision would improve the publisher's cash flow and thereby provide additional capital for new publishing projects.

Gentlemen, it has not been generally

known that Thomas Nelson & Sons is a Canadian company. For that reason John Tory is with us here today to answer any questions relating to the ownership of Thomas Nelson.

Mr. Belt, on my left, will answer questions relating to publishing. I myself will answer any questions relating to the financial aspect of publishing.

THE CHAIRMAN: Thank you. If I might ask one or two questions to start and perhaps a response. I think I would personally hope that any provision of loans by government would not inevitably lead to governmental control in any way, shape or form. As far as the special tax concessions are concerned, perhaps somebody might carry a message by foot, hand, hair or otherwise, to Mr. Benson, if he can be reached behind his pipe and cloud of smoke and see if he has a sympathetic attitude. I think it is the 18th, isn't it, Mr. Tory, that we are going to get the word from the cloud or whatever it is?

MR. TORY: That is right.

THE CHAIRMAN: In any event, the taxation concessions is a good suggestion. I will just ask Mr. Camp if he would like to ask some questions?

MR. CAMP: The first educational series published by Nelson was the Manitoba readers. Do I gather from that that this was a seris of

books for the school system in Manitoba?

MR. BELT: Yes, indeed.

MR. CAMP: Are you still doing so?

MR. BELT: That series is out of print and was discontinued. It was one of the earliest of the Canadian series done in the early 1920's, Mr. Camp.

MR. CAMP: You are no longer publishing them?

MR. BELT: No.

MR. CAMP: I was just going to ask you if you knew anything about the recent decision by the Manitoba government in terms of its textbooks?

MR. BELT: Yes.

MR. CAMP: Would you outline that for us briefly and give us an opinion?

MR. BELT: Yes. In the matter of the Manitoba Development Corporation declaring its financial support for provincial publishing, this has some rather distressing aspects I must admit. It could be supposed that the provision of funds could imply a kind of favouritism if not control and someone might conceivably stand up in the Manitoba Legislature and wonder why the books produced there with public funds are not used to a greater extent.

We have rumblings of this in Quebec, as you know. There have been in recent years ---

DR. JEANNERET: You say "rumblings"?

MR. BELT: Rumblings, yes.

DR. JEANNERET: It is more than rumblings.

MR. BELT: Indeed, yes. In fact ---

DR. JEANNERET: It is a fait accompli.

MR. BELT: Fait accompli. Previously there were rumblings and they went on for a long time. In New Brunswick some years ago you may recall a threat to impose a condition of authorization in that province with regard to manufacture. We know what British Columbia did. If we enlarge on the Manitoba situation, the question is that we might well suppose that there will be in time 10 or perhaps 6 provincial publishing systems with governmental financing. As commercial publishers we, naturally, wonder whether there will indeed be room for us.

MR. CAMP: I think that is a good thing to wonder, although here in Ontario, of course, we say it is all right for them because we have all or most of it here anyway.

On page 7 with regard to buying around, the last sentence:

"Alternatively, incentives should

be provided to Canadian libraries and others to purchase books from Canadian sources."

Do you have any elaboration on the kind of incentives you would suggest that would encourage libraries to purchase from Canadian sources?

MR. FLEMING: Yes, Mr. Camp. I think that the incentives should be in the form of some sort of a rebate from the government to the library to encourage them to do this, to buy from Canadian sources.

MR. CAMP: A rebate from the government to the libraries to the extent that they buy?

MR. FLEMING: Yes.

MR. CAMP: Which would, in effect, mean a government subsidy.

MR. FLEMING: That is correct.

MR. CAMP: Which would introduce an element of government influence and control into the buying policies of libraries and other institutions.

MR. FLEMING: These are public funds.

MR. CAMP: You say public funds to buy textbooks?

MR. FLEMING: Yes.

MR.CAMP: Just as a note, and I am sure with regard to copyright you say:

"Where photocopying is prevalent, a system of collecting royalties to be paid to the publishers should be established."

You don't mention the authors, or are you assuming the authors would also participate?

MR. FLEMING: Absolutely. It is inevitabl

MR. CAMP: I am sure the Chairman's reaction to the word "inevitable" -- I don't know that anything is inevitable. That is argumentative.

MR. FLEMING: Yes.

MR. CAMP: Would you not think the condition in which the publishing industry finds itself today, for one reason or another, in Canada, that assistance by the government, loans, is better than inevitable bankruptcy and inevitable, complete domination by foreign interests in the publishing industry?

MR. FLEMING: I agree, it is better than bankruptcy, or foreign domination of Canadian publishing, but I feel that our proposal in providing a tax concession, would be better.

MR. CAMP: I was coming to that. I think maybe the Chairman was. This, of course, would not do very much for the trade book publishing industry?

MR. FLEMING: It would depend

on the ---

MR. CAMP: What is the manufacturing and developing cost at accelerated write-off, for example, McClelland and Stewart were not appreciably involved in the textbook field. They were largely known, at any rate, as a trade book house.

MR. FLEMING: That is true, but they do invest a great deal of money in their own indigenous trade publishing.

MR. CAMP: In what way, if I may ask?

MR. FLEMING: They originate and produce books, have them manufactured in Canada. It is my feeling that if the government were to see its way clear, allow the amount of money invested annually by the publisher which, at the present time is funnelled into inventory, to have this written off in the year the books are produced, would increase tremendously the cash flow through the company and allow them to produce even more books. We are not asking for anything here other than a deferral of taxes.

MR. CAMP: That is quite clear, for the record, that you would limit this to the production of Canadian books. Do you mean Canadian-published books, or do you mean books written by Canadians?

MR. FLEMING: Both.

MR. CAMP: Both. Those are all the questions I had. Thank you.

DR. JEANNERET: I have two or three questions. My view is that it is not necessary for the Commission to make any findings at this point in time at least on the nationality of the firm, Nelson, but I would think that conceivably a situation might arise where it would be relevant to some other organization -- not necessarily at all and I was curious, therefore, I didn't intend to pursue this very far. I think perhaps a supporting statement from Mr. Tory, or something, would be the best way to handle it, and then we can discuss it if it needs discussion further. If these trusts that are mentioned are revocable by the person who made them, then it is an interesting way of conferring nationality on the ultimate beneficiary under the trust and also what about the possibility, or even the necessity of a change of nationality on the part of the alternate beneficiary? Would you comment just briefly on this? I am not suggesting you pursue this to a finding or anything of that nature.

MR. TORY: I would say the trusts are not revocable.

DR. JEANNERET: They are not?

MR. TORY: They are irrevocable. All beneficiaries, as I stated, are Canadian

citizens.

DR. JEANNERET: There is no reason to suppose they will necessarily cease to be?

MR. TORY: I absolutely know no prospect, under any prospects, any of them would cease to be that. That doesn't mean it couldn't happen to anyone.

THE CHAIRMAN: It could have happened to Lord Thomson.

MR. TORY: Lord Thomson is a citizen of the United Kingdom.

DR. JEANNERET: It was ---

MR. TORY: For example, if you have in mind, would it be necessary for Mr. K.R. Thomson to give up his Canadian citizenship to acquire his father's title at his father's death, that would not be necessary.

THE CHAIRMAN: Is the title hereditary?

MR. TORY: Yes.

THE CHAIRMAN: It is?

MR. TORY: Yes.

DR. JEANNERET: Your company does not feel the need of working capital, at least not to the point of having provisions for government loans to the industry. What kind of government controls -- it might have been partly covered by something Mr. Fleming said there, but I didn't hear him too well. What kind of government control is it that you are

afraid of seeing imposed?

MR. FLEMING: Well, I would not like to think that the government would actively take over publishing in this country and quite frankly, I feel that a loan given to McClelland and Stewart is the thin edge of the wedge and I am afraid of what the future may bring.

DR. JEANNERET: The government doesn't have to hold onto a firm if it took it over, any more than Lord Thomson has to hold onto Nelson.

MR. FLEMING: That is right.

DR. JEANNERET: What other firms than your own do you represent in Canada? Don't give me a complete list if it is a long one. Your principal stock interest is Nelson, isn't it?

MR. BELT: Yes. We represent three significantly large U.S. houses and as many in the U.K.

DR. JEANNERET: So your remark regarding buying around has to be with those books, rather than compared to Nelson books?

MR. BELT: Yes.

DR. JEANNERET: On page 8 you are speaking about infringing by photocoying. You seem to divide it into copying as a matter of convenience and copying as a matter of economic necessity from the standpoint of the school concerned. That is a kind of distinction that

I find hard to follow. In the one case you talk about fair dealing, I presume, and in the other case you are talking about infringement. On the same page are you prepared to recommend any system of royalty payments to publishers, meaning to copyright owners, as Mr. Camp pointed out, and you have got to look at your contract and see how much goes to the author. Are you prepared to recommend a system of royalty payments that is capable of being practicably administered of a kind that would ensure allocation of such payments to the authors where they have a contractual interest? Isn't any system you are liable to put forward, likely to be terribly top heavy or are you prepared to go along with some form of compulsory licensing legislation so that there does not have to be clearance in advance? We don't mean to work out the whole system, but do you see an answer to this?

MR. FLEMING: I would think that if Bell Telephone monitor all long distance calls and bill you at the end of each month, there should be some means, with the technology we have today whereby a system is workable.

DR. JEANNERET: The one most commonly referred to amount here is 2 cents perpage. The librarians tell us that the publisher-agents have a terrible time monitoring their orders and for them to monitor these

two cent usages and so on, does suggest a very complex kind of procedure. I think that this is what is holding up progress in this direction and I assume you have no specific proposals other than those that are being put forward by the Canadian Copyright Institute, which had similar recommendations, that would probably carry us as far in the direction of practicality as any.

MR. BELT: Mr. Chairman, I wish we did have a pattern or technique that could be applied here. I think the educational one, that is informing teachers and others of their responsibilities, is surely a matter of their conscience. Our concern is in the educational systems, the increasing amounts spent on photocopying machinery and equipment automatically required the use of that equipment. If costing were done, it is conceivable that it would result in the realization that it is more expensive, in fact, to photocopy, than it would be to buy books.

DR. JEANNERET: Do you think something in the nature of the public lending right philosophy could be arrived at, a formula could be arrived at which, of course, is designed to compensate copyright owners for distribution without sale, through library outlets, that it might not also take into consideration on some sampling basis the

hardships that are worked on copyright owners through copying and be appropriatedly adjusted and made to achieve the end that you have in mind?

You don't have to answer that as a final commitment but do you think it is in the right direction?

MR. BELT: I think something in that order would be well worth pursuing, Dr. Jeanneret, yes.

THE CHAIRMAN: I wonder if it might be appropriate in regard to the suggestion of taxation that you might consider letting us have a memorandum, possibly a one-page memorandum, in connection with what you think might be done or might be suggested? It might be useful in terms of sending it on to these gentlemen.

MR. BELT: We will be glad to do that.

THE CHAIRMAN: You raised a point along the way that has not struck home before but it relates to the multi-nationality of many of the companies, publishing companies, that are doing business in Canada. It seems to me that if you are going to have a further divisive activity in the various provinces -- you spoke about Manitoba and the others and they are now increasing, Quebec and so forth -- I wonder if that activity on the part of the provinces would be further detrimental to Canadian controlled publishing firms and yet at the same time would be therefore advantageous to multi-national firms who could move into any one of those provinces from the high and advantageous position from outside? I think this is something that has

occurred by way of phenomenon in the general European market. Countries such as France, Belgium, Holland and Italy and so forth, have their own parochial laws for their nationals which over a decade or more found themselves being crunched by the multi-natinnal corporations who came in from outside and went into all of them. I wonder if you felt that this divisive factor which appears to be going on is going to make it even more serious from the competitive point of view to the Canadian controlled publishers, of which you are one?

MR. FLEMING: It would certainly be. We would either have to restrict ourselves to publishing for a particular province or we would have to set up housekpeeing in the other provinces. I think there are very few, if any, Canadian companies that could afford such an undertaking.

MR. BELT: If I might add something, I feel that anything of this sort will not strengthen the national publishing position at all. Rather the reverse and, indeed, the sort of fragmentation that the result would invite the friendly giants to move in.

THE CHAIRMAN: Well, gentlemen, we thank you very much for coming.

MR. BELT: May I make one point about the Nelson operation because of previous submissions we heard this morning?

The Young Canada Readers, a series developed, Young Canada Readers, in the 1950's and one of the first of its kind, this, as we mentioned in our brief, required a very substantial distribution of funds, time and energy and required as well the provision of pedagogical expertise in the form of putting teachers, in fact, on staff. That series has reappeared largely intact in Australia under the title, Young Australia Readers and shows up somewhat modified in the U.K. and the title there, interestingly, is Reading for Joy which is surely a tribute to the Young Canada Readers.

It has appeared in the U.S. in large type editions and so on. Approximately seven years ago Nelson sent to the U.S. a representative whose full-time responsibility it was to promote this series so that while we are very attentive to the publishing operation in Canada we do look far beyond the Canadian borders and I think we have had considerable success doing that.

DR. JEANNERET: You are starting to think that a series like that which was so successful published in the 1980's enjoys not one title of copyright protection in the United States today?

MR. BELT: Yes, this is very shocking, quite shocking.

THE CHAIRMAN: Thank you very much,

gentlemen, we appreciate your coming.

SUBMISSION OF CANADIAN ASSOCIATION OF UNIVERSITY PROFESSORS OF EDUCATION

THE CHAIRMAN: Now we have with us representatives of the Canadian Association of University Professors of Education and we have with us Professor Paton and Professor Greenfield. If you will just touch on the high points of your brief and we will talk with you as well.

PROFESSOR GREENFIELD: The recommendations that we have made may not make a unique contribution to the ideas that have been presented to the Commission but we hope that the general line of argument that we have been making in the brief may underline some positions that will be helpful to you in formulating your own recommendations.

Let me say first that it is our belief that Canadian schools should reflect both Canadian society and that they should also use the most advanced knowledge available to ensure effective learning.

Now, in our view, the publishing industry is not essentially a knowledge-producing industry: It is more a knowledge-disseminating industry and that if you want to ensure that these prime goals are reached in education you must look to the kind of institutions in society which produce knowledgeability of Canadian society and

those which create knowledge about what constitutes effective learning in schools and you have to ensure that both of those things are represented in the curriculum materials that are available in the schools.

It is our view that you cannot ensure that these goals be met merely by nationalizing the Canadian publishing industry. You have to move towards a situation in which there is knowledge about our society and that there is knowledge about what constitutes effective learning.

THE CHAIRMAN: I hesitate to interrupt, but what do you mean by "nationalize"? What is your definition of that?

PROFESSOR GREENFIELD: Well, I think our brief makes the point that the ownership of the publishing industry in Canada is not necessarily the important means by which you are going to ensure that Canadian materials are available in schools.

THE CHAIRMAN: You say it is how the publisher performs and not what his ownership is?

PROFESSOR GREENFIELD: Right.

THE CHAIRMAN: What did you mean when you said, "nationalize" -- "the Answer is not to really nationalize the publishing industry"? What do you mean by that?

PROFESSOR GREENFIELD: Well, you

have heard many presentations and views that the problem should be solved by ensuring that Canadian publishers are owned by Canadians.

DR. JEANNERETTE: It often means socialized too.

PROFESSOR GREENFIELD: Yes, but I was not using it in that sense. I'was using it in the intent to bring under Canadian ownership, Canadian national ownership in one way or another.

THE CHAIRMAN: But not by the government?

PROFESSOR GREENFIELD: Not by the government.

DR. JEANNERET: Repatriated?

PROFESSOR GREENFIELD: That is right, repatriated.

Our brief stresses a number of points which I would like to leave before you. First of all, it should be pointed out that even in the United States which, of course, is one of the places from which some of the most creative innovative work does come, the publishers there have not been the source of the basic research which is reflected in learning materials and I think we have heard that demonstrated by presentations from some of the publishers this morning.

That research is supported by governments of one kind or another and our brief

makes the point that the Canadian governments, of one kind or another, have generally been backward in supporting not only the general institutions which study the Canadian society but also rather backward in putting money into the kind of applied research that is necessary to translate general knowledge about Canadian society into effective learning materials.

We would make the point that it is easy to have Canadian-authored materials in the school system if we merely make regulations through the Departments of Education as to who is to author or publish the materials that are used in our schools. Our worry here is that this may contribute to what has been called the scissors and paste approach of development. This is the approach where somebody sits down and looks at what else has been published by somebody else and he re-arranges it without putting a great deal of creative work into it and certainly there is not much investment in this kind of an approach in the assessment of the effectivenss of the materials, there is not much emphasis in this kind of approach in the basing of the materials which are presented upon theoretical and research studies.

The third point we make is that there is no point in our view in Canada duplicating the basic research in education which has already

been done in other countries or, indeed, in excluding in published forms, the products of that basic research which have been translated into useful learning materials. I can give you an example.

Some of the most recent work -- and again it is American -- that has been done is directed at the problem of developing materials to develop writing skills, I mean literary writing skills -- this problem that English teachers have confronted over a number of years, how to teach people to write good English, and as a result of a large and well financed project in the United States there is now coming on the market many materials which are directed at developing these skills effectively.

Now, I ask what is going to happen if in Ontario we continue to do as we appear to be doing to limit the number of foreign-authored materials of that kind which are authorized for schools? Are we going to either exclude access of our students in schools to such materials or are we going to try and duplicate --

THE CHAIRMAN: Are you making a basic assumption that the material that is being produced because it is being produced in the United States and with a large amount of money it is going to be superior automatically to that which is available or has been available in Canada up to this time in terms of eaching English? Is

that a fundamental assumption?

PROFESSOR GREENFIELD: I am saying this, that we will know a great deal more about what the materials will do, we will know more about its specifications, its characteristics and its effectiveness than we will know about comparable materials in Canada. It comes down to this point that we do not have the amount of applied research going on in Canada that there is in other countries, notably the United States.

DR.JEANNERET: I don't want to interrupt but I see that research is one thing and textbook exposition is something else. The point has been made to us frequently that -- and from some very responsible quarters -- that on the expository writing that if one tends to depend on Canadian authors they tend to do as good a job as anything that is made available to the schools.

I could agree with you entirely on that research, as such, but you are looking on research as evidenced in the materials themselves?

PROFESSOR GREENFIELD: Right.

DR. JEANNERET: Research is common property: There is no copyright on it. The results of the research are not subject to copyright in any sense. It is the exposition.

PROFESSOR GREENFIELD: The final results form them may be.

DR. JEANNERET: They are copyright.

PROFESSOR GREENFIELD: It is not a matter of basic research, but also a matter of investment in the applied research to change that basic research into useful material and those are subject to copyright and those major things which are not going to be put on the circulars and not allowed in our schools.

THE CHAIRMAN: I suppose I just rose to the challenge of the automatic assumption, as I mentioned earlier here. We have been getting that everything comes from the United States because it is bigger and better and, obviously, they have had more money to do so their research is de facto a superior product.

PROFESSOR GREENFIELD: I would not make that assumption. I would merely make a plea that if we want to challenge that assumption, we must do our own research and that we must have institutions that are doing

it. I do not think that we have adequately searched, especially at the applied level, in changing basic knowledge into effective learning materials.

DR. JEANNERET: That raises a point I will ask later. Will you comment on the building we are in in this regard, and its contribution, past and hopefully in the future as far as practical curricular and textbook materials are concerned?

PROFESSOR GREENFIELD: Well, what I would say is that I wish there were a better articulation between the priority needs of Ontario education and the activities that are going on in this institute.

DR. JEANNERET: That is the same as saying if there were more relevance to the projects under way here ---

PROFESSOR GREENFIELD: No, I don't think it is a question of the relevance. It is a question of the ---

DR. JEANNERET: Curricular relevance, that is.

PROFESSOR GREENFIELD: No. I am saying that I do not see the Department of Education in Ontario setting areas of priority study to which, then, this Institute may direct its attention. I think we have to say what is there that is not being done elsewhere that has to be done here? What kinds of needs are

we not meeting here?

THE CHAIRMAN: Dr. Jeanneret, this can generate work forever, kind of thing. Surely the whole issue of curriculum in each course or all the curricula that should be applicable in the various courses that are going to be taught, is it not one of their prime functions here?

PROFESSOR GREENFIELD: Yes.

THE CHAIRMAN: If it is, then, does it not follow that creation of a particular curriculum should be backstopped or supported by, if you will, research? Is this not a legitimate area of research to be specified by the Department of Education?

PROFESSOR GREENFIELD: I entirely agree.

THE CHAIRMAN: It is this kind of thing we are wondering about, if the Ontario Institute for Studies and Education might assist in a direct form against specific terms of reference laid out by the Department of Education.

DR. JEANNERET: Would this be the way to accomplish what you are pleading for?

PROFESSOR GREENFIELD: Yes. I think it is important first that the Department of Education set some priority areas for investigation.

THE CHAIRMAN: But you see, this is good, except that you can ballpark yourself into oblivion if you do this. I daresay that

the Ontario Institute is ballparking in many respects because, while they are ballparking it seems -- at least there isn't much evidence -- everybody is taking from all this ballpark experimentation and research and pulling it over here to the point of application. I am only speaking as an individual trying to look at this, but there seems to be a void here.

PROFESSOR GREENFIELD: I don't think you get much argument on that question that the cooperation, the liaison between the Department of Education and the Institute has not been as active and as continuing as it ought to have been. But this is not to say that, in creating the Institute that the Ontario government has absolved its responsibility for investment in research and education. I think this is only a fraction of the research that has to be done.

THE CHAIRMAN: It has created a commitment on an on-going basis.

PROFESSOR GREENFIELD: Yes. I would say an institute of this type is not going to solve all of the needs for basic and applied research in the province. Other institutions are going to have to be created as well and I think school systems are going to have to get into it very much more than they have in the past. They are going to have to do some research in testing the effectiveness of

various kinds of materials themselves, rather than just accepting, as we tended to do in the past ---

DR. JEANNERET: Surely this is a coordinating mechanism. Possibly the Institute ---

PROFFESSOR GREENFIELD: To coordinate? I don't believe so.

DR. JEANNERET: Will you say why?

PROFESSOR GREENFIELD: It does not have a formal authority over the school systems, the educational system in Ontario. It is in a staff advisory kind of position.

DR. JEANNERET: The research area, though, might not be expected to have?

PROFESSOR GREENFIELD: By responsibility?

DR. JEANNERET: The responsibility to create research.

PROFESSOR GREENFIELD: The only way we can say we develop this kind of materials and to have them then tried out in the City of Toronto schools. I mean, we don't have the authority and I don't think anybody here would really want it.

DR. JEANNERET: If the Toronto schools are seeking to develop some certain types of curricular materials, they should do it independently from the Institute without communication between the two?

PROFESSOR GREENFIELD: No. The liaison between them has to be provided by some type of intermediary force, which I would hope would be the Department of Education.

THE CHAIRMAN: Professor Paton, you might amplify my fund of knowledge. What is your background? We have been dealing with you without knowing the association.

PROFESSOR PATON: The College of Education at the University of Toronto.

PROFESSOR GREENFIELD: I am with them also.

THE CHAIRMAN: We were not aware. That is very interesting. We were not putting these questions knowing you had this background. We didn't get your qualifications through any internal evidence of what you were saying.

PROFESSOR GREENFIELD: I think I have said enough in general exposition of the brief.

THE CHAIRMAN: Fine.

MR. CAMP: I have just a couple of questions which I am sure you can answer very briefly just to clarify my own understanding. On page 9 you say:

> "Ironically this improvement in education may be imperiled by the timorous reaction of publishers who hesitate to publish for a school market that is not

guaranteed in advance. In this situation there is a tendency to press the use of American publications which . . . ."

-- which comes close to this. From whom is this tendency? There is a tendency by whom to press for the use of them, by the Department of Education?

PROFESSOR GREENFIELD: No. I think it would be by ---

MR. CAMP: Publishers?

PROFESSOR GREENFIELD: By education systems, by the teachers who are looking for -- they are always on the search for the latest thing, the most effective thing, the solutions to their problems. When they seek advice and materials which are more effective.

MR. CAMP: It has to be on Circular 14?

PROFESSOR GREENFIELD: That is the problem.

MR. CAMP: Actually it is the people who authorize books for Circular 14 who are probably the ones who have the tendency.

PROFESSOR GREENFIELD: They are caught, of course. They want to ensure that there are Canadian materials in the schools and they can do it very easily. They can do it

just by legislating the kinds of materials which may be used, but I think the pressure to use other kinds of materials will come from the innovative teachers who are not satisfied, perhaps, with the choices available on Circular 14.

MR. CAMP: Because of the timorous attitude of the public? What they are timid about is the financial implications, of course.

PROFESSOR GREENFIELD: Right.

MR. CAMP: Which is a pretty good thing to be timid about.

PROFESSOR GREENFIELD: That is why we are concerned about not just publishing problems. It is our problem trying to get institutions involved in this whole problem of getting research and materials that are appropriate to be used in the schools.

MR. CAMP: Is it your conclusion on page 8, or Professor Tomkin, that really the matter of ownership is not in any way pertinent to the problem? I just wondered if that is so, and you go on to argue that in the next paragraph.

PROFESSOR GREENFIELD: We are taking that position in the brief. We believe that, you know, there ought to be a Canadian-owned publishing industry, but we see that as a kind of symbolical importance in the way

that the country ought to have a flag.

MR. CAMP: No real importance?

PROFESSOR GREENFIELD: Not real importance in the terms of what is it the children are to learn about Canada.

DR. JEANNERET: I must ask a question, if you say that, and I won't have to ask it later. I thought you drew a very useful distinction between Canadian publishers and Canadian publishing. That is really what youare referring to, but when you say -- you didn't say it -- I don't mean to put it in your mouth. We could get along without Canadian publishers altogether if we had to -- you didn't say that however. Tell me what you think about this possible situation where no Canadian-owned publishing houses are left at all to serve the Canadian educational field, at least none of significant size? If the whole of the educational publishing industry had to be served by foreign subsidiaries operating in this country, might there not be a substantial pressure to change the ground rules, such as Circular 14?

MR. CAMP: Wouldn't there even be more of a tendency to question the use?

DR. JEANNERET: Regarding Canadian authorship, regarding Canadian manufacture, a pressure that would become irresistible if the residual Canadian-owned

publishers did disappear. They would be operating as subsidiaries, remember, of foreign principals whose interest would be to maximize profits by exploiting a continental of international market, rather than developing new materials in the regional market so the interest of the publishers then left, working through their subsidiaries, would be to sell the home product. I am over-simplifying and this is not entirely true.

I am sure the Americans will not print Canadian histories and things like that, but by and large, would this be the pressure?

PROFESSOR GREENFIELD: I think there is evidence to the contrary and we heard it this morning, I think, from Addison Wesley.

MR. CAMP: But that is in present circumstances, you can't relate what was done or said now to what Dr.Jéanneret's hypothesis is.

THE CHAIRMAN: As long as there are Clarke, Irwin and McClelland and Stewart out there publishing the subsidiary is going to meet them with similar and better materials here, regionally developed, regionally authored, but is Canadian authorship going to be well looked after by an industry that is totally owned abroad?

PROFESSOR PATON: Well, no, it will not be so, sir. We must have Canadian authorship, this is really what we are saying, and if we have to choose, which I don't think we have to do, between Canadian authorship and Canadian control -- and I don't think that is the choice, but if we had to choose, of course, I would say Canadian authorship is the important thing. This is what Tomkins is saying.

MR. CAMP: In what way would you get the most Canadian authorship -- if we have Canadian publishing or if we don't have Canadian publishing?

PROFESSOR PATON: Well, I am not an expert on the arrangements by which

a company becomes Canadian or otherwise in the financial sense, but the important thing is that people from our point of view, not being businessmen -- as I say, I am not a businessman -- the important thing is that the people who are doing the publishing in this country are familiar with Canadian writers or potential Canadian writers or have the knack of generating that kind of trade of ideas among Canadian writers. That is the important thing. Now, you ask whether a foreign-owned company would do this. I suspect not, but if it is just a financial matter and they employ entirely Canadians to do it ---

THE CHAIRMAN: Surely it is much more than a financial matter, is it not? I know that you say it is symbolic and a symbol really means nothing.

MR. CAMP: When you talk about timorous reaction of publishers hesitating to publish in the school markets, you are talking about all the publishers in Canada, I assume, you are not just talking about indigenous Canadian publishers?

PROFESSOR GREENFIELD: Well, that is why we feel that the important thing is the policy that legislates the behaviour of Canadian publishers rather than the ownership of the publisher. I think that the reason why foreign-owned subsidiaries do publish as

much as they do is not because they are competing with Canadian-owned companies, but because the Department of Education require them.

DR. JEANNERET: Yes, if there were no Canadian indigenous publishers, how long would the Departments of Education be able to resist the pressure to stop requiring this? I submit that if you could postulate a situation where all the publishers were subsidiaries, all of them of any consequence, then you would have an industry that would be doing what the parent companies wanted it to do in the parent company's economic interests. It couldn't be otherwise in this world. Would those policies be consistent with Canadian interests? We have to answer that question.

PROFESSOR GREENFIELD: That is why I think it is important to balance that with investment in applied research and curriculum development. There are out of this institution, some products which are now publishable and the publishers are anxious to get their hands on those materials and I think another kind of balance -- and I would recognize your argument that a Canadian-owned company is a balance to the foreign-owned publishers, but another kind of balance is an intellectual community and institutions in Canada which are producing the materials and the ideas which are saleable, which

speak to the problems of our society and which provide effective education.

DR. JEANNERET: I have no argument on that point at all, but our terms of reference require us to decide and consider this question of Canadian ownership and, without exception the foreign subsidiaries who have appeared before us and to whom we have addressed this question -- we have not asked it of all of them -- have said a residual body of Canadian-owned publishers is highly desirable for this country and I suggest that one of the reasons they have said it is that, as good Canadians themselves -- and they are good Canadians without exception -- their Canadian industry, their Canadian business flourishes here as a Canadian business because of this counter balancing force of competition from Canadian-owned houses who have a slightly different perspective and do not have access to a continental market. This is only a refinement on your idea, not a disagreement, but when you suggest it is only symbolic, we have to decide whether or not you are right.

PROFESSOR GREENFIELD: I may have gone too far there but our brief does say we would like to see an active Canadian presence maintained among the Canadian-owned publishing houses.

DR. JEANNERET: My last word

is I think your brief was superb, very, very interesting, your whole presentation. It is just this one point that concerns me.

PROFESSOR GREENFIELD: I was going to say that we recognize the difficulty in your terms of reference both with respect to the definition of where the problem lies and geographically, you are dealing with a national problem from a provincial perspective.

THE CHAIRMAN: That does not impede us at all.

PROFESSOR GREENFIELD: I hope it doesn't, because members of our association who have read the brief have said "For goodness sake, don't let Ontario forget the rest of the country".

THE CHAIRMAN: If you will look at our terms of reference you will find that our requirements are to review these questions in relation to Ontario and Canada and, thus far, we will attempt to consider all these questions in a Canadian light, rather than just Ontario.

DR. JEANNERET: The Chairman has even made some remarks that touch on the federal authority from time to time.

THE CHAIRMAN: From time to time.

MR. CAMP: On page 10, does your Association endorse and subscribe to the either-or statement by Mr. Sutherland that you

quote here?

PROFESSOR GREENFIELD: I think it goes a little far.

MR. CAMP: I read the next paragraph and I couldn't really find whether you did or did not agree.

PROFESSOR GREENFIELD: I think it goes a little too far.

MR. CAMP: Because if it had to be "or", it would be disastrous.

PROFESSOR GREENFIELD: Right, but it is pointing up the problem and I think we are aware of what should be done about it.

THE CHAIRMAN: Professor Greenfield, you say you are with the Institute. What is your particular specialty?

PROFESSOR GREENFIELD: Educational administration.

THE CHAIRMAN: Did you take some post-graduate work on that at one time?

PROFESSOR GREENFIELD: Yes, I did.

THE CHAIRMAN: Where did you take it up?

PROFESSOR GREENFIELD: University of Alberta.

THE CHAIRMAN: I wonder if, at page 7, which seems to be the heart of your brief, or part of the heart;

"What is important is not the

ownership of these houses but their behavior in meeting Canadian social and educational needs through their publications."

If that proposition were to be accepted, then, what you would say -- and you did say later on -- is that there could be regulations made and so I daresay that what you are talking about is that if there are regulations to be made to ensure the meeting of Canadian social educational needs, you then back into the question of standards and conditions and, therefore, into a licence because if the matter of ownership, foreign or otherwise, does not matter, but performance does, then the penalty of not performing would surely have to relate to a licence which is an irrevocable right to publish. Have I taken you around the circle? You see, platitudinously, as the human race say, it would be marvelous if you accepted the responsibility to act as a person responding to the requirement to meet Canadian social and educational needs and you are a publication publisher, we think it would be marvelous if you did that. But, by and large, somebody has got to stand there with a club which might be a licence or it might not; in other words, you just can't say "We would love you to do it", because people won't do it unless they are required.

PROFESSOR GREENFIELD: Yes, I think I would say further that perhaps the publishers can't do it on their own. We have to believe in our country and we have to put the kind of investment into our educational system that is in favour of our society, that reflects on our society and what education means.

DR. JEANNERET: You are licensing by committing things to Circular 14 and that is the way we are operating now.

PROFESSOR GREENFIELD: Yes, and that is a very powerful kind of control.

THE CHAIRMAN: It is powerful but in the presence of the kind of situation we find the Canadian-controlled publishing industry in, we don't know whether -- it is a matter we have been talking about and we don't know whether in Canadian publishing, with an increase of control, whether it would survive. These are all questions that are before us.

Well, gentlemen, we appreciate the brief very much indeed. It is an educational exchange at least for us and we appreciate your coming. As a member of the Institute we must record that our interest in the Institute's objectives and goals is increasing and we hope that we may be able to contribute something that will add to its enlargement, even in our own peculiar way.

---Adjournment